

**MINUTES**

**OF THE**

**ORDINARY MEETING OF COUNCIL**

**HELD ON**

**19 JUNE 2012**

**AT 6.30PM IN THE COUNCIL CHAMBERS**

**MELVILLE CIVIC CENTRE**

**DISCLAIMER**

**PLEASE READ THE FOLLOWING IMPORTANT DISCLAIMER BEFORE PROCEEDING:**

Any plans or documents in agendas and minutes may be subject to copyright. The express permission of the copyright owner must be obtained before copying any copyright material.

Any statement, comment or decision made at a Council or Committee meeting regarding any application for an approval, consent or licence, including a resolution of approval, is not effective as an approval of any application and must not be relied upon as such.

Any person or entity who has an application before the City must obtain, and should only rely on, written notice of the City's decision and any conditions attaching to the decision, and cannot treat as an approval anything said or done at a Council or Committee meeting.

Any advice provided by an employee of the City on the operation of written law, or the performance of a function by the City, is provided in the capacity of an employee, and to the best of that person's knowledge and ability. It does not constitute, and should not be relied upon, as a legal advice or representation by the City. Any advice on a matter of law, or anything sought to be relied upon as representation by the City should be sought in writing and should make clear the purpose of the request.

# CONTENTS PAGE

	<b>Item Description</b>	<b>Page Number</b>
<b>ITEMS FROM FINANCIAL MANAGEMENT, AUDIT, RISK &amp; COMPLIANCE COMMITTEE – 28 MAY 2012</b>		
<b>M12/5231</b>	Review of Audit Scope from External Auditors	8
<b>M12/5232</b>	Annual Review of Internal Audit Plan	13
<b>C12/5240</b>	Policy Review – Corporate Services	17
<b>URBAN PLANNING</b>		
<b>P12/3313</b>	Draft Vision for the Riseley Centre – Feedback from Community Forums and Centre Structure Plan	25
<b>P12/3315</b>	Policy Review – CP-005 Land and Property Retention, Disposal and Acquisition	42
<b>TECHNICAL SERVICES</b>		
<b>T12/3300</b>	Weekly Recycling Review	48
<b>T12/3311</b>	Joiner Street Path Petition	64
<b>T12/3312</b>	Climate Change Adaptation Plan	69
<b>T12/3316</b>	Review of Waste Disposal Options	74
<b>COMMUNITY DEVELOPMENT</b>		
Nil		
<b>MANAGEMENT SERVICES</b>		
Nil		
<b>CORPORATE SERVICES</b>		
<b>C12/5000</b>	Common Seal Register	90
<b>C12/6000</b>	Investment Statements	93
<b>C12/6001</b>	Schedule of Accounts April 2012	106
<b>C12/6002</b>	Financial Statements April 2012	110
<b>CONFIDENTIAL ITEMS</b>		
<b>P12/3314</b>	Confidential Item – Draft Murdoch Specialised Activity Centre Structure Plan	117
<b>T12/3317</b>	City of Canning Withdrawal from Southern Metropolitan Regional Council (SMRC)	119

**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, 19 JUNE 2012.**

**1. OFFICIAL OPENING**

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

**COUNCILLORS**

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

**WARD**

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

**3. IN ATTENDANCE**

Dr S Silcox	Chief Executive Officer
Mr M Tieleman	Director Corporate Services
Ms C Young	Director Community Development
Mr S Cope	Director Urban Planning
Mr J Christie	Director Technical Services
Mr L Hitchcock	Executive Manager Legal Services
Mr G Ponton (From 9.20pm)	Manager Strategic Urban Planning
Mr B Taylor	Manager Information, Technology & Support
Mr J Clark	Governance & Compliance Program Manager
Ms D Beilby	Minute Secretary

At the commencement of the meeting there were 52 members of the public and one member from the Press in the Public Gallery.

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

Nil.

**4.2 APPROVED LEAVE OF ABSENCE**

Cr Barton	Bicton/Attadale Ward
Cr Willis	Bull Creek/Leeming Ward

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

Nil.

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

Nil.

**6. QUESTION TIME****6.1 Mr Rod Petterson, Leeming**

His Worship the Mayor advised that 18 questions had been received from Mr Rod Petterson relating to the Southern Metropolitan Regional Council. The questions were taken on notice. A response will be provided to Mr Petterson in writing and the information contained in that response will be included in the Agenda for the Ordinary Meeting of Council to be held on 17 July 2012.

**6.2 Mr Gary Ryan, Bicton**Question 1

*Why has the Tom Hoad Cup review been not made available to the residents that it affects the most and when will it be made public?*

Response

Officers are currently in discussions with the Melville Water Polo Club in regard to the proposed Tom Hoad Cup for 2012. Once the outcome of these discussions have been finalised local residents will be informed. Input from those residents in the immediate locality of the Club was taken into consideration when Officers reviewed the last Cup event.

Mr Ryan is welcome to contact the Director Community Development for any other information.

**6.3 Mr Bob Peters, Ardross**Question 1

*Why has the Council not developed a whole of Melville response to Directions 2031?*

Response

The City of Melville has prepared a Local Planning Strategy which is guided by the State Directions 2031 policy. Council has sought approval from the WA Planning Commission to publicly advertise the draft Local Planning Strategy in conjunction with the draft proposed Local Planning Scheme 6. Consent to advertise the draft Local Planning Scheme and Local Planning Strategy has not yet been granted.

Question 2

*Why has the Council looked at the Riseley Centre first - rather than Booragoon, as changes at Booragoon could significantly impact traffic issues at Riseley and Canning?*

Response

The City of Melville is also considering future planning for Booragoon. Planning for Booragoon City Centre has not yet progressed to advertising stage however it is anticipated that the planning project will involve significant community engagement.

**6. QUESTION TIME (Continued)****6.3 Mr Bob Peters, Ardross (Continued)**Question 3

*Rat running on Bombard Street is bad and getting worse. The plan in the Vision would make it even worse. What is Council doing to stop traffic growing on Bombard Street?*

Response

It is proposed that the future preparation of a Structure plan for the Riseley Centre Precinct will consider all relevant traffic issues

Question 4

*It has been suggested by some that the Vision footprint should be considerably reduced. If that is the case why not make better use of the land between Kearns and Canning by having it at 3 or 4 storeys instead of 2 storeys?*

Response

The report currently before Council recommends that the height, location and distribution of built form be subject to further review as part of the process of preparation of a Structure Plan for the Riseley Centre Precinct.

Question 5

*The State Government seems to be saying that 2 or 3 storey apartments would be right for Stirling Highway on the other side of the river. Why should Ardross - in a comparable situation, have to have any more than 2 or 3 storeys?*

Response

As per answer to Question 4 above.

**7. AWARDS AND PRESENTATIONS**

Nil.

**8. CONFIRMATION OF MINUTES****8.1 ORDINARY MEETING OF COUNCIL – 15 MAY 2012**  
Min 15 May 2012**COUNCIL RESOLUTION**

At 6.39pm Cr Robartson moved, seconded Cr Foxton -

**That the Minutes of the Ordinary Meeting of Council held on Tuesday, 15 May 2012, be confirmed as a true and accurate record.**

At 6.39pm the Mayor submitted the motion, which was declared

**CARRIED (11/0)**

**8.2 SPECIAL MEETING OF COUNCIL – 21 MAY 2012**  
Min 21 May 2012**COUNCIL RESOLUTION**

At 6.39pm Cr Robartson moved, seconded Cr Hill -

**That the Minutes of the Special Meeting of Council held on Monday, 21 May 2012 be confirmed as a true and accurate record.**

At 6.39pm the Mayor submitted the motion, which was declared

**CARRIED (11/0)**

**8.3 FINANCIAL MANAGEMENT, AUDIT, RISK AND COMPLIANCE COMMITTEE (FMARC) – 28 MAY 2012****COUNCIL RESOLUTION**

At 6.39pm Cr Kinnell moved, seconded Cr Reynolds -

**That the Minutes of the Financial Management, Audit, Risk & Compliance Committee Meeting held on Monday 28 May 2012 be noted.**

**NB:**

**Minutes to be confirmed at next Financial Management, Audit, Risk & Compliance Committee Meeting.**

At 6.39pm the Mayor submitted the motion, which was declared

**CARRIED (11/0)**

**8. CONFIRMATION OF MINUTES (Continued)****8.4 NOTES OF AGENDA BRIEFING FORUM – 5 JUNE 2012**  
Notes 5 June 2012**COUNCIL RESOLUTION**

At 6.40pm Cr Reidy moved, seconded Cr Hill -

**That the Notes of the Agenda Briefing Forum held on Tuesday, 5 June 2012, be received.**

At 6.40pm the Mayor submitted the motion, which was declared

**CARRIED (11/0)**

**8.5 NOTES OF SPECIAL AGENDA BRIEFING FORUM – 13 JUNE 2012**  
Notes 13 June 2012**COUNCIL RESOLUTION**

At 6.41pm Cr Hill moved, seconded Cr Reidy -

**That the Notes of the Special Agenda Briefing Forum held on Wednesday, 13 June 2012, be received.**

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

**CARRIED (11/0)**

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

Nil.

**9.2 DISCLOSURE OF INTEREST THAT MAY CAUSE A CONFLICT**

- P12/3314 Mayor R Aubrey Interest under the Code of Conduct

**10. APPLICATIONS FOR NEW LEAVES OF ABSENCE**

At 6.42pm Cr Foxton moved, seconded Cr Kinnell -

**That the application for new leave of absence submitted by Cr Reidy on 19 June 2012 be granted.**

At 6.42pm the Mayor submitted the motion which was declared

**CARRIED (11/0)**

**11. IDENTIFICATION OF MATTERS FOR WHICH MEETING MAY BE CLOSED**

- P12/3314 Confidential Item – Draft Murdoch Specialised Activity Centre Structure Plan
- T12/3317 Confidential Item – City of Canning – Withdrawal from Southern Metropolitan Regional Council (SMRC)

The above matters are confidential in accordance with Section 5.23 (2) (c) relating to a contract which may be entered into by the local government.

**12. PETITIONS**

Nil.

### 13. REPORTS OF THE CHIEF EXECUTIVE OFFICER

#### 13.1 FINANCIAL MANAGEMENT, AUDIT, RISK & COMPLIANCE COMMITTEE – 28 MAY 2012

The following items were presented by the Presiding Member of the Financial Management, Audit, Risk & Compliance Committee.

##### 13.1.1 ITEMS REQUIRING COUNCIL RESOLUTION

#### M12/5231 - REVIEW OF AUDIT SCOPE FROM EXTERNAL AUDITORS (REC) (ATTACHMENT)

Ward	:	All
Category	:	Operational
Subject Index	:	External Audit
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	:	M11/5177 – Review of Audit Scope from External Auditors – FMARC Committee 30 May 2011
Works Programme	:	Not Applicable
Funding	:	Not Applicable
Responsible Officer	:	Ken Wan Process Improvement Auditor

#### 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"/>	<b>Executive</b>	<b><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></b>
<input type="checkbox"/>	Legislative	<i>Includes adopting local laws, town planning schemes &amp; policies.</i>
<input type="checkbox"/>	Review	<i>When the Council reviews decisions made by Officers.</i>
<input type="checkbox"/>	Quasi-Judicial	<i>When the Council determines an application/matter that directly affects a person's right and interests. The judicial character arises from the obligation to abide by the principles of natural justice. Examples of Quasi-Judicial authority include town planning applications, building licences, applications for other permits/licences (eg under Health Act, Dog Act or Local Laws) and other decisions that may be appealable to the State Administrative Tribunal.</i>

**M12/5231 - REVIEW OF AUDIT SCOPE FROM EXTERNAL AUDITORS (REC)  
(ATTACHMENT)****KEY ISSUES / SUMMARY**

This report presents the detailed audit scope for review by the Financial Management, Audit, Risk & Compliance Committee and recommends that the Committee endorses the audit scope.

**BACKGROUND**

The responsibility of the external auditors is to audit the accounts and express an opinion as to whether (a) the accounts are properly kept and (b) whether the annual financial report is prepared in accordance with the financial records and represent fairly the results of the operations and the financial position of the local government at 30 June in accordance with the Auditing Accounting Standards. The audit is to be conducted in accordance with the Auditing Standards and the Auditing Guidance Statements. These Standards require the external auditors to plan and perform the audit to obtain reasonable assurance whether the financial report is free from any material misstatement.

A detailed audit scope is attached for review.

**DETAIL**

The audit scope, similar to that of last year, sets out the key areas of internal controls that will be examined by the auditors in order to form an opinion on the financial statements of the City. The Auditors will perform risk assessment procedures such as enquiries of entity personnel, observing the application of specific controls, inspecting documents and reports to test the City's compliance with legislation and sound management practice.

The areas to be examined are extensive and they include the following:

- Rates;
- Receipts;
- Sundry Debtors;
- Purchase of Goods and Services and Payments;
- Creditors;
- Payroll;
- General Accounting;
- IT controls;
- Budget;
- Registers (Tenders, etc)
- Trust Fund;
- Reserve Fund;

**M12/5231 - REVIEW OF AUDIT SCOPE FROM EXTERNAL AUDITORS (REC)  
(ATTACHMENT)**

Investments;  
Bank Reconciliations; and  
Minutes.

The detailed audit scope is contained in attachment [5231 Audit Scope](#)

**PUBLIC CONSULTATION/COMMUNICATION**

No public consultation or communication has been carried out.

**CONSULTATION WITH OTHER AGENCIES / CONSULTANTS**

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

**STATUTORY AND LEGAL IMPLICATIONS**

Section 7.9 of the Local Government Act 1995 requires the annual financial report to be audited, and Regulation 7 of the Local Government (Audit) Regulations 1996 requires the agreement between a local government and an auditor to include

- a) the objectives of the audit;*
- b) the scope of the audit;*
- c) a plan for the audit;*
- d) details of the remuneration and expenses to be paid to the auditors; and*
- e) the method to be used by the local government to communicate with, and supply information to, the auditor.*

Regulation 9 (Performance of the audit) of the Local Government (Audit) Regulations 1996 requires;

*(1) An audit is to be carried out in accordance with the "Auditing Standards" and "Auditing Guidance Statements" adopted from time to time by the Australian Society of Certified Practising Accountants and The Institute of Chartered Accountants in Australia.*

**M12/5231 - REVIEW OF AUDIT SCOPE FROM EXTERNAL AUDITORS (REC)  
(ATTACHMENT)**

2) *An auditor is to carry out such work as is necessary to form an opinion as to whether —*

*(a) the accounts are properly kept; and*

*(b) the annual financial report —*

*(i) is prepared in accordance with the financial records; and*

*(ii) represents fairly the results of the operations of the local government and the financial position of the local government at 30 June in accordance with the Australian Accounting Standards and the Act.*

The above information was detailed in the tender document - Provision of Statutory Audit Services and the attachment provides further details of the audit work that will be undertaken.

**FINANCIAL IMPLICATIONS**

Not applicable.

**STRATEGIC, RISK AND ENVIRONMENTAL MANAGEMENT IMPLICATIONS**

<b>Risk Statement</b>	<b>Level of Risk</b>	<b>Risk Mitigation Strategy</b>
Key auditable areas not covered by the external auditors.	<b>Low</b>	Stringent selection criteria for the appointment of the external auditors;  Audit closely monitored by the Executive Management Team and Financial Management, Audit, Risk & Compliance Committee;  The audit is also governed by the Australian Auditing Standards.

**POLICY IMPLICATIONS**

There are no specific policy implications, except where it can be determined that a matter may be subject to policy change.

**M12/5231 - REVIEW OF AUDIT SCOPE FROM EXTERNAL AUDITORS (REC)  
(ATTACHMENT)**

**ALTERNATE OPTIONS AND THEIR IMPLICATIONS**

Not applicable.

**CONCLUSION**

The Audit Plan appears reasonable and all key areas are covered in this Plan.

**OFFICER & COMMITTEE RECOMMENDATION (5231)**

That the Financial Management, Audit, Risk & Compliance Committee recommend to the Council that the 5231 Audit Scope for 2012 be endorsed.

**FINANCIAL MANAGEMENT, AUDIT, RISK & COMPLIANCE COMMITTEE  
RECOMMENDATION & COUNCIL RESOLUTION (5231) APPROVAL**

**That the Council endorse the 5231 Audit Scope for 2012.**

At 6.44pm the Mayor submitted the motion, which was declared

**CARRIED EN BLOC (11/0)**

**M12/5232 - ANNUAL REVIEW OF INTERNAL AUDIT PLAN (REC) (ATTACHMENT)**

Ward : All  
 Category : Operational  
 Subject Index : Internal Audit Report  
 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 : M11/5178 Annual Review of Audit Plan FMARC Committee - 30 May 2011  
 Works Programme : Not Applicable  
 Funding : Not Applicable  
 Responsible Officer : Ken Wan  
 Process Improvement Auditor

**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"/>	<b>Executive</b>	<b><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></b>
<input type="checkbox"/>	Legislative	<i>Includes adopting local laws, town planning schemes &amp; policies.</i>
<input type="checkbox"/>	Review	<i>When the Council reviews decisions made by Officers.</i>
<input type="checkbox"/>	Quasi-Judicial	<i>When the Council determines an application/matter that directly affects a person's right and interests. The judicial character arises from the obligation to abide by the principles of natural justice. Examples of Quasi-Judicial authority include town planning applications, building licences, applications for other permits/licences (eg under Health Act, Dog Act or Local Laws) and other decisions that may be appealable to the State Administrative Tribunal.</i>

**M12/5232 - ANNUAL REVIEW OF INTERNAL AUDIT PLAN (REC) (ATTACHMENT)****KEY ISSUES / SUMMARY**

Report presents the annual review of the Internal Audit Plan conducted by the Process Improvement Auditor with input from the Executive Management Team for the Committees review and recommends that the reviewed Internal Audit Plan for 2012/13 be submitted to the Council for approval.

**BACKGROUND**

A risk based audit plan covering areas of high risks in terms of consequence and likelihood relating to the achievement of corporate objectives is prepared and reviewed at least once every 12 months by the Process Improvement Auditor with input from the Executive Management Team.

Significant auditable areas covering financial, operational, compliance and governance processes are risk weighted, and audit resources are allocated to those areas with higher risks.

**DETAIL**

Attachments: [5232 Audit Plan and 5232 Internal Audit Control Matrix](#) These attachments provide specific detail as to the extent of each auditable area.

There has been no change in the auditable areas since the last review by the Executive Management Team and the Financial Management, Audit, Risk & Compliance Committee in May 2011. All auditable areas have been reviewed and considered relevant to the City's activities.

**PUBLIC CONSULTATION/COMMUNICATION**

No public consultation / communication has been carried out.

**CONSULTATION WITH OTHER AGENCIES / CONSULTANTS**

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

**M12/5232 - ANNUAL REVIEW OF INTERNAL AUDIT PLAN (REC) (ATTACHMENT  
STATUTORY AND LEGAL IMPLICATIONS**

There is no specific legal requirement to have an internal audit function for a local government. However, an amendment to the Local Government Act 1995 in 2005 introduced a requirement that all local governments establish an audit committee. Such committees are to provide an independent oversight of the financial systems of a local government on behalf of the Council. As such, the committee will operate to assist the Council to fulfil its corporate governance, stewardship, leadership and control responsibilities in relation to the local government's financial reporting and audit responsibilities.

For an audit committee to be effective, it is the best practice to have an internal audit function to assist it to discharge its responsibilities in areas such as internal control, risk management, and financial reporting.

**FINANCIAL IMPLICATIONS**

Not applicable.

**STRATEGIC AND RISK MANAGEMENT IMPLICATIONS**

<b>Risk Statement</b>	<b>Level of Risk</b>	<b>Risk Mitigation Strategy</b>
Internal audit resources not allocated to areas of the highest audit significance to the City.	<b>Low</b>	All auditable areas are reviewed and approved by both the Executive Management Team and the Financial Management, Audit, Risk and Compliance Committee annually to ensure internal audit resources are appropriately allocated.

**POLICY IMPLICATIONS**

There are no specific policy implications, except where it can be determined that a matter may be subject to policy change.

**ALTERNATE OPTIONS AND THEIR IMPLICATIONS**

Not applicable.

**M12/5232 - ANNUAL REVIEW OF INTERNAL AUDIT PLAN (REC) (ATTACHMENT  
CONCLUSION**

The items identified in the audit plan will cover all high risk areas and they have been reviewed and accepted by Executive Management Team.

**OFFICER & COMMITTEE RECOMMENDATION (5232)**

That the Financial Management, Audit, Risk and Compliance Committee recommend to the Council that the Internal Audit Plan for 2012 5232 Audit Plan be approved.

**FINANCIAL MANAGEMENT, AUDIT, RISK & COMPLIANCE COMMITTEE  
RECOMMENDATION & COUNCIL RESOLUTION (5232) APPROVAL**

**That the Council approve the Internal Audit Plan for 2012 5232 Audit Plan.**

At 6.44pm the Mayor submitted the motion, which was declared

**CARRIED EN BLOC (11/0)**

**C12/5240 - POLICY REVIEW – CORPORATE SERVICES (REC) (ATTACHMENT)**

Ward	: All
Category	: Policy
Subject Index	: Corporate Policy
Customer Index	: City of Melville
Disclosure of any Interest	: No Officer involved in the preparation of this report has a declarable interest in this matter.
Previous Items	: C11/5199 - Policy Review – Ordinary Meeting of the Council – 15 November 2011
Works Programme	: Not Applicable
Funding	: Not Applicable
Responsible Officer	: Khris Yeoh Senior Financial Accountant

**AUTHORITY / DISCRETION**

**DEFINITION**

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

**C12/5240 - POLICY REVIEW – CORPORATE SERVICES (REC) (ATTACHMENT)****KEY ISSUES / SUMMARY**

- The Report presents the results of a review of Council Policies CP-009 Investment of Funds and CP-025 Accounting.
- The Report recommends that the Committee endorse the changes made and recommend the amended Policies to Council for adoption.

**BACKGROUND**

The City of Melville has brought forward the review of the two Council policies CP-009 - Investment of Funds and CP-025 - Accounting which were previously reviewed in November 2011. The review was deemed necessary due to recent changes that were made to the Local Government Act 1995 (The Act), and the Local Government (Financial Management) Regulations 1996 (The Regulations).

The opportunity was taken to incorporate some recommendations made by the City's external auditor's, Santo Casilli Accounting and Auditing Services, who undertook the four yearly Financial Management Systems Review, required to be undertaken in accordance with Regulation 5(2)(c) of The Regulations. The results of that audit will be reported to the Financial Management, Audit and Risk Committee at a later date. We have also ensured that the requirements of the Australian Accounting Standards (The Standards), issued by the Australian Accounting Standards Board (AASB), are correctly referenced and noted in the Accounting Policy.

**DETAIL**

Significant amendments made to the two policies as a result of the legislative changes and ensuing review are as follows:

**CP-009 Investment of Funds**

Changes have been made to the Policy to reflect amendments that were made to The Regulations and Gazetted on 20 April 2012. The amendments made in The Regulations which are required to be reflected in the Investment of Funds Policy include new quite severe limitations on the range of institutions that local governments can now invest with, the maximum terms they can invest for and the types of investment products that can be utilised as summarised below.

- Bonds that are guaranteed by the Commonwealth Government or a State or Territory for a term not exceeding three years;

**C12/5240 - POLICY REVIEW – CORPORATE SERVICES (REC) (ATTACHMENT)**

- Deposits with Authorised Deposit-Taking Institutions (ADIs) as authorised by Australian Prudential and Regulatory Authority (APRA), and only in Australian currency, with a fixed term of not more than twelve months.

There is also a prohibition on investment in foreign currency, which is not a type of investment the City of Melville has ever undertaken or contemplated, so that part of the amendments will have no practical impact. Although not required by The Regulations the

Investment Policy continues to limit investments with ADI's to those that are rated by Standard & Poor's as BBB+ (or it's equivalent if rated by another ratings agency).

In accordance with Schedule 9.3 Division 2 clause 44 of The Act Investments made prior to the implementation of the amendments may be retained until such time as they mature. This includes the Collateralised Debt Obligation (CDO) investments of Council.

**CP- 025 Accounting**

Major changes have been made to the Accounting Policy.

Large sections of this policy have been removed as they simply repeated the provisions of The Act, The Regulations or The Standards which the City had no discretion to adopt as policy or not. Only those areas over which the City can exercise a degree of discretion have now been left in the Policy e.g. the life over which assets will be depreciated, the revaluation period if the City chose to revalue more than once every three years etc.

Amendments that have been made to The Act, The Regulations and The Standards have been incorporated into the Accounting Policy where applicable.

The principal amendment incorporated was the new requirement in The Regulations that requires all physical non-current assets to be valued on a fair value basis and revalued at least triennially. The amendment also identifies that certain assets that are under the 'control' of the City will be required to be recognised as assets and valued/revalued accordingly. These assets may include, among other things, land that is operated by the City as a golf course, sporting or recreational facilities of State or regional significance (even if the City does not own the land on which they are situated). The City is also required to include as assets improvements to controlled land as well as the value of easements granted in favour of the City over any land. This particular provision will require some significant research and time to comply with.

Extended time frames have been provided to local governments to comply with these amendments and to resource the revaluation process which can be undertaken either internally by professional staff with the aid of reference guides, or by using qualified external valuers.

**C12/5240 - POLICY REVIEW – CORPORATE SERVICES (REC) (ATTACHMENT)**

Other changes made to the Policy include increasing the capitalisation threshold limit for all assets, except artworks and plant, to \$5,000 per item, as recommended by the City's external auditor (Santo Casilli Accounting and Auditing Services), during the four yearly Financial Management Systems Review they conducted on behalf of the Chief Executive Officer. The report recommends that these new capitalisation thresholds apply retrospectively with effect from 1 July 2011.

**PUBLIC CONSULTATION/COMMUNICATION**

Not applicable.

**CONSULTATION WITH OTHER AGENCIES / CONSULTANTS**

As noted above the amendments to the policies have been necessary as a result of changes made by external parties to legislation or The Standards or have been undertaken at the suggestion of the external auditors.

**STATUTORY AND LEGAL IMPLICATIONS**

Local Government (Financial Management) Regulations 1996 Regulation 16. headed 'Accounting for land under local government's control', states as follows:

*The annual financial report of a local government —*

*(a) is not to include as an asset —*

- (i) Crown land that is a public thoroughfare, the responsibility for managing which is vested in the local government; or*
- (ii) land that is not owned by the local government but which is under the control or management of the local government (whether that land is Crown land or is owned by another person, or not), unless it is operated by the local government as a golf course, showground, racecourse or any other sporting or recreational facility of State or regional significance; and*

*(b) is to include as an asset —*

- (i) a structure or any other improvement placed by the local government on land referred to in paragraph (a); and*
- (ii) an easement granted in favour of the local government over any land.*

*[Regulation 16 inserted in Gazette 20 Apr 2012 p. 1699.]*

Local Government (Financial Management) Regulations 1996 Regulation 17A, headed 'Assets —fair value measurement required', states as follows:

*(1) In this regulation —*

**fair value**, *in relation to an asset, means the fair value of the asset measured in accordance with the AAS.*

**C12/5240 - POLICY REVIEW – CORPORATE SERVICES (REC) (ATTACHMENT)**

(2) Subject to subregulation (3), the value of an asset shown in a local government's financial reports must be the fair value of the asset.

(3) A local government must show in each financial report —

(a) for the financial year ending on 30 June 2013, the fair value of all of the assets of the local government that are plant and equipment; and

(b) for the financial year ending on 30 June 2014, the fair value of all of the assets of the local government —

(i) that are plant and equipment; and

(ii) that are —

(I) land and buildings; or

(II) infrastructure; and

(c) for a financial year ending on or after 30 June 2015, the fair value of all of the assets of the local government.

(4) A local government must revalue all assets of the local government of the classes specified in column 1 of the Table to this subregulation on the day specified in column 2 of the Table and at the end of each subsequent period of 3 years.

**STATUTORY AND LEGAL IMPLICATIONS (continued)**

**Table**

<b>Class of asset</b>	<b>Day</b>
<i>Plant and equipment</i>	<i>30 June 2016</i>
<i>Land, buildings and infrastructure for which the fair value was shown in the local government's annual financial report for the financial year ending on 30 June 2014</i>	<i>30 June 2017</i>
<i>All other classes of asset</i>	<i>30 June 2018</i>

[Regulation 17A inserted in Gazette 20 Apr 2012 p. 1699-700.]

**C12/5240 - POLICY REVIEW – CORPORATE SERVICES (REC) (ATTACHMENT)**

Local Government (Financial Management) Regulations 1996 Regulation 19C. headed, 'Investment of money — s. 6.14(2)(a)', states as follows:

(1) *In this regulation —*

**authorised institution** means —

- (a) *an authorised deposit-taking institution as defined in the Banking Act 1959 (Commonwealth) section 5; or*
- (b) *the Western Australian Treasury Corporation established by the Western Australian Treasury Corporation Act 1986;*

**foreign currency** means *a currency except the currency of Australia.*

(2) When investing money under section 6.14(1), a local government may not do any of the following —

- (a) deposit with an institution except an authorised institution;
- (b) deposit for a fixed term of more than 12 months;
- (c) invest in bonds that are not guaranteed by the Commonwealth Government, or a State or Territory government;
- (d) invest in bonds with a term to maturity of more than 3 years;
- (e) invest in a foreign currency.

*[Regulation 19C inserted in Gazette 20 Apr 2012 p. 1701.]*

Local Government Act 1995 Schedule 9.3 Division 2 clause 44. provides that 'Section 6.14(1) as in force immediately before the coming into operation of section 19(1) of the amending Act (the **amending provision**) continues to operate in respect of any investment made under section 6.14(1) before the coming into operation of the amending provision but does not operate so as to allow any reinvestment under that provision.' The relevant date referred to above is 21 April 2012.

**FINANCIAL IMPLICATIONS**

The revised policies set out various requirements in regards to accounting treatments and disclosure of assets and the investment of funds.

**C12/5240 - POLICY REVIEW – CORPORATE SERVICES (REC) (ATTACHMENT)**

**STRATEGIC, RISK AND ENVIRONMENTAL MANAGEMENT IMPLICATIONS**

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

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

**POLICY IMPLICATIONS**

Policies that are defined as Council Policy require the approval of Council whereas Operational Policies are approved by the Chief Executive Officer.

The changes made to the two policies that have been reviewed reflect recent changes in the Local Government Act 1995, Local Government (Financial Management) Regulations 1996 and Australian Accounting Standards issued by the Australian Accounting Standards Board.

**ALTERNATE OPTIONS AND THEIR IMPLICATIONS**

As the changes made reflect legislative changes and adherence by the City to Australian Accounting Standards is required by legislation. The alternatives available will be limited to areas in which the City can exercise discretion under the relevant legislation or applicable Standards.

**C12/5240 - POLICY REVIEW – CORPORATE SERVICES (REC) (ATTACHMENT)****CONCLUSION**

The individual policies have been reviewed by senior officers and their amendments are consistent with the current provisions of the Local Government Act 1995, The Local Government (Financial Management) Regulations 1996 and applicable Australian Accounting Standards as issued by the AASB. .

**OFFICER & COMMITTEE RECOMMENDATION (5240)**

That the Financial Management, Audit, Risk and Compliance Committee recommend to the Council:

- a. That the Council endorse the changes made to Council Policies CP-009 – Investment of Funds and CP-025- Accounting and recommend that the Council resolve to approve the amended policies as attached.

5240 CP 009 Investment of Funds Policy  
5240 CP 025 Accounting Policy

- b. That the revised capitalisation threshold limit of \$5,000 per item be retrospectively applied from 1 July 2011.

**FINANCIAL MANAGEMENT, AUDIT, RISK & COMPLIANCE COMMITTEE  
RECOMMENDATION & COUNCIL RESOLUTION (5240) APPROVAL**

At 6.45pm Cr Nicholson moved, seconded Cr Macphail -

**That the Council;**

- a. **Endorse the changes made to Council Policies CP-009 – Investment of Funds and CP-025 - Accounting and recommend that the Council resolve to approve the amended policies as attached.**

5240 CP 009 Investment of Funds Policy  
5240 CP 025 Accounting Policy

- b. **Resolve that the revised capitalisation threshold limit of \$5,000 per item be retrospectively applied from 1 July 2011.**

At 6.47pm the Mayor submitted the motion, which was declared

**CARRIED (11/0)**

**14. REPORTS OF THE CHIEF EXECUTIVE OFFICER**

**P12/3313 – DRAFT VISION FOR THE RISELEY CENTRE – FEEDBACK FROM COMMUNITY FORUMS AND CENTRE STRUCTURE PLAN (REC)**

Ward : Applecross/Mt Pleasant  
 Category : Strategic  
 Disclosure of any Interest : No Officer involved in the preparation of this report has a declarable interest in this matter.  
 Previous Items : P11/3235 Draft Vision for the Riseley Precinct – Ordinary Meeting of the Council - August 2011  
 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 checked="" type="checkbox"/>	<b>Executive</b>	<b><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></b>
<input type="checkbox"/>	Legislative	<i>Includes adopting local laws, town planning schemes &amp; policies.</i>
<input type="checkbox"/>	Review	<i>When the Council reviews decisions made by Officers.</i>
<input type="checkbox"/>	Quasi-Judicial	<i>When the Council determines an application/matter that directly affects a person's right and interests. The judicial character arises from the obligation to abide by the principles of natural justice. Examples of Quasi-Judicial authority include town planning applications, building licences, applications for other permits/licences (eg under Health Act, Dog Act or Local Laws) and other decisions that may be appealable to the State Administrative Tribunal.</i>

**P12/3313 – DRAFT VISION FOR THE RISELEY CENTRE – FEEDBACK FROM COMMUNITY FORUMS AND CENTRE STRUCTURE PLAN (REC)****KEY ISSUES / SUMMARY**

At its meeting on 16 August 2011, Council resolved to approve the advertising of the Draft Vision for the Riseley Centre (Draft Vision) for the purpose of community feedback.

The Council resolution of 16 August 2011 noted that the Draft Vision represented a non-statutory concept document for further review and testing via the detailed studies associated with the preparation of a District Centre Structure Plan

The Draft Vision was subsequently released in October 2011 for the purpose of public information and comment only.

As part of the public comment phase, three facilitated community information and feedback forums were held on 16, 21 and 22 November 2011. The collated comments are summarised in this report for the Council's information.

It is proposed that the comments submitted on the Draft Vision will be considered and integrated with further technical studies leading to the preparation of a District Centre Structure Plan for the Riseley Centre.

A petition signed by 497 residents and ten non-residents was received by the City of Melville on Friday 27 April 2012. The petition reads as follows – *We, the undersigned, all being electors of the City of Melville, do humbly pray that height limits in the Riseley Centre, Ardross be restricted to four storeys. The proposal to allow ten storeys would lead to traffic becoming unmanageable, visual amenity of the area decreasing and local residents being severely impacted by the development. We ask you to urgently reconsider this draft development proposal.*

The petition was presented to the Ordinary Meeting of Council held on 15 May 2012. In relation to the petition Council resolved “**that the petition bearing 507 signatures be received and acknowledged in writing to the lead petitioner with the advice that a report will be presented to a future meeting of Council.**”

It is recommended that Council supports the preparation of an activity centre structure plan for the Riseley District Centre, in accordance with the Western Australian Planning Commission's (WAPC) Statement of Planning Policy 4.2 Activity Centres for Perth and Peel.

Further it is recommended that Council note:

- The community's considerable interest and contributions in response to the comment phase for the Vision.
- The community's generally supportive responses to the Draft Vision for the Riseley Centre
- That the community's concerns relating to building heights and that this issue is to be a component of the detailed studies and part of the first stages of the structure plan.

**P12/3313 – DRAFT VISION FOR THE RISELEY CENTRE – FEEDBACK FROM  
COMMUNITY FORUMS AND CENTRE STRUCTURE PLAN (REC)****Scheme Provisions**

MRS Zoning	: Urban
CPS 5 Zoning	: District Centre and Commercial Centre Frame
R-Code	: R50 – R60
Use Type	: N/A
Use Class	: N/A

**Site Details**

Lot Area	: N/A
Retention of Existing Vegetation	: N/A
Street Tree(s)	: N/A
Street Furniture (drainage pits etc)	: N/A
Site Details	:

**BACKGROUND**

In 2008 the Western Australian Planning Commission released the draft policy, Directions 2031 and Beyond. This metropolitan policy articulated a focus on consolidating residential, employment and commercial growth in mixed-use centres located close to public transport infrastructure and services.

**City of Melville Context**

Throughout August and September 2008 the City of Melville facilitated five forums to inform the community and to record their views and suggestions on the City's draft Local Planning Strategy. Approximately 290 participants attended the forums including residents, businesses and the community and government sectors.

In general, community comments supported increasing the concentration of higher (i.e. medium) residential densities around activity centres and along activity corridors.

**Planning Analysis of the Riseley Centre 2008**

The purpose of the Planning Analysis of the Riseley Centre 2008 was to provide a working document of updated base-line information for the Riseley District Centre's commercial and retail activities, including issues such as parking, traffic, land use, look and feel, and safety.

**Survey 2008**

The stakeholder consultation process included a survey of residents, land owners and business tenants. The surveys recorded 71 resident responses, 25 business owner responses and 30 business tenant responses. The collated survey responses identified six main issues, these being (in order of priority)

- Parking
- Traffic
- Built form
- Land use
- Look and feel
- Safety

**P12/3313 – DRAFT VISION FOR THE RISELEY CENTRE – FEEDBACK FROM COMMUNITY FORUMS AND CENTRE STRUCTURE PLAN (REC)****Focus groups 2008**

In addition, two focus groups, attended by 27 residents and 13 businesses, were convened to provide residents and businesses with an opportunity to share their vision for the Centre's future.

The main objective of the focus groups was to explore the key outcomes of the surveys, identify issues and opportunities for specific locations and explore solutions and strategies for improving the Centre.

**Information forum 2008**

An information forum was held in October 2008 attended by 29 participants of the survey and focus groups. The information forum provided feedback on the focus groups' comments including draft preliminary planning concepts for the future of the Riseley Centre.

Attendees expressed in-principle support for the draft planning concepts, emphasizing support for enhanced streetscapes, greater development potential, and maintenance of the centre's village character.

**DETAIL****Draft Vision for the Riseley Centre 2011**

The Draft Vision for the Riseley Centre (the Draft Vision) was released for community information and feedback in October 2011. The Draft Vision is a non-statutory concept document for further review and testing via the detailed planning studies associated with the preparation of a District Centre Structure Plan.

The Draft Vision is a first step in reviewing planning options and proceeding in a staged approach to revitalising the Riseley Centre's potential as a transit oriented District Centre. The illustrated built forms and indicative building heights are presented for conceptual purposes only and serve to provide a sounding board for the community's ideas and responses.

The community's feedback on the Draft Vision will contribute to the further studies and assessments associated with the preparation of an integrated activity centre structure plan.

**Forums on the Draft Vision**

At the Ordinary Meeting of Council, 16 August 2011, Council approved the advertising of the Draft Vision for the purpose of community information and feedback. The Draft Vision was released for public information and comment in October 2011.

The Community engagement process for advertising of the Draft Vision comprised three community information and feed-back forums held on 16, 21 and 22 November 2011.

Approximately 240 stakeholders attended the forums and a number of stakeholders submitted written comments.

**P12/3313 – DRAFT VISION FOR THE RISELEY CENTRE – FEEDBACK FROM COMMUNITY FORUMS AND CENTRE STRUCTURE PLAN (REC)**

The workshop sessions focused on generating feedback from participants on the key issues of;

- Land use and built form
- Access and parking
- Look and feel
- Safety

**Individual feed back on the overall view of the Draft Vision**

Individuals submitted their feed back in response to their overall view of the Draft Vision, as presented at their workshop.

The feedback options ranged from;

- Strongly opposed
- Opposed
- Support
- Strongly support
- Don't know

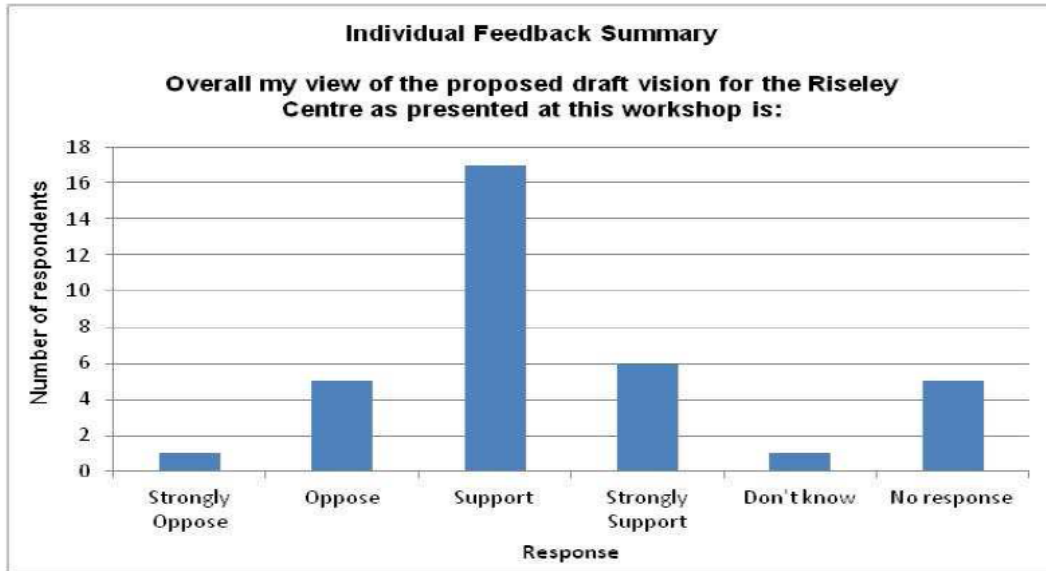
The aggregated individual feedback comments for each of the forums is presented in the following tables and bar-charts.

A total of 87 registrations were received for the forum held on 16 November 2011. A total of 74 individual feed back forms were submitted.



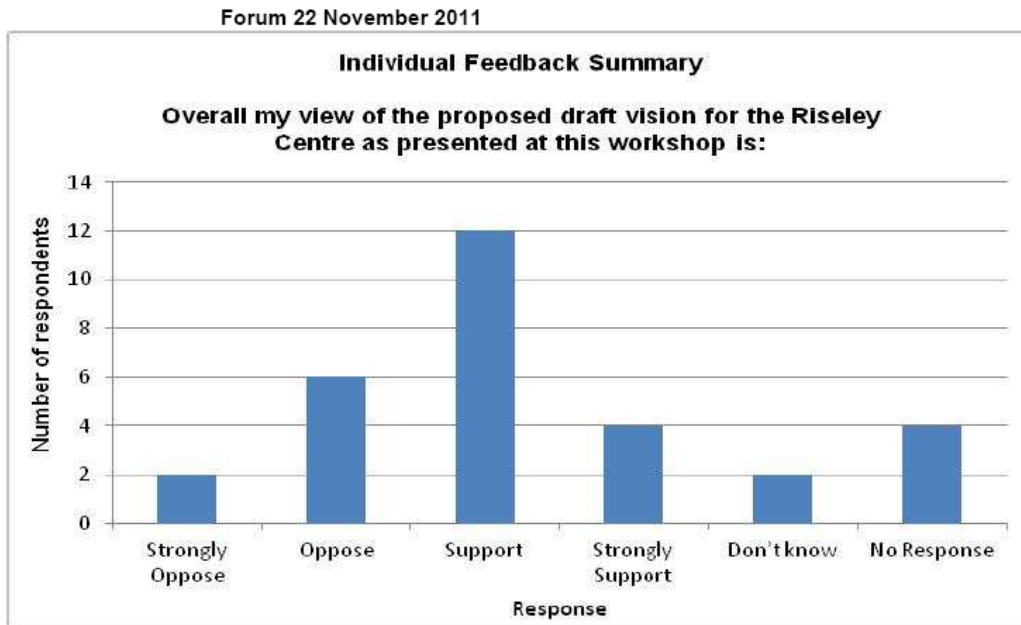
**P12/3313 – DRAFT VISION FOR THE RISELEY CENTRE – FEEDBACK FROM COMMUNITY FORUMS AND CENTRE STRUCTURE PLAN (REC)**

A total of 84 registrations were received for the forum held on 21 November 2011. A total of 35 individual feed back forms were submitted.



Forum 21 November 2011

A total of 69 registrations were received for the forum held on 22 November 2011. A total of 30 individual feed back forms were submitted.



**P12/3313 – DRAFT VISION FOR THE RISELEY CENTRE – FEEDBACK FROM COMMUNITY FORUMS AND CENTRE STRUCTURE PLAN (REC)**

	Forum 16 November 2011	%	Forum 21 November 2011	%	Forum 22 November 2011	%
Strongly Oppose	13	17.5	1	2.8	2	6.6
Oppose	8	10	5	14.2	6	20
Support	25	33	17	48.5	12	40
Strongly Support	13	17.5	6	17.1	4	13.3
Don't Know	0	0	1	2.8	2	6.6
No Response	15	22	5	14.2	4	13.3
Total	74	100	35	99.6	30	99.8

	Combined Forums	%
Strongly Oppose	16	11.5
Oppose	19	13.6
Support	54	38.8
Strongly Support	23	16.5
Don't Know	3	2.1
No Response	24	17.2
Total	139	99.7

	Combined Support	%		Combined Oppose	%
Support	54	38.8	Strongly Oppose	16	11.5
Strongly Support	23	16.5	Oppose	19	13.6
Total	77	55.3	Total	35	25.1

As illustrated in the aggregated individual feedback for each of the workshops, overall responses expressed a significant level of support / strong support for the Draft Vision.

In contrast, the aggregated individual feedback for each of the workshops also indicated only a moderate level of oppose / strongly oppose responses.

**Table groups feed back on the key categories of the Draft Vision**

The table groups were invited to discuss and record their comments on the key categories of

- Land Use and Built Form
- Access and Parking
- Look and Feel
- Safety

**P12/3313 – DRAFT VISION FOR THE RISELEY CENTRE – FEEDBACK FROM COMMUNITY FORUMS AND CENTRE STRUCTURE PLAN (REC)****Land use and built form**

In general, comments on the category of land use and built form expressed concern for the indicative height of eight to ten storeys, including the component illustrated along Canning Highway, west of Willcock Street and east of Simpson Street. Generally, some comments suggested building heights ranging between three and seven storeys.

Some comments indicated the need to assess potential health impacts linked to traffic emissions and higher residential densities in close proximity to high frequency transit corridors such as Canning Highway.

Some comments noted the potential impact of built forms and building heights on property values, views and amenity.

Some comments noted the potential impact of traffic and parking due to increased population and residential densities.

**Access and parking**

In general, comments on the category of access and parking expressed concern with the intrusive nature of parking in the central core areas and along Kearns Crescent and Willcock Street.

Comments noted the impacts of impaired visibility and speed of vehicles on pedestrian access, circulation safety and streetscape amenity.

Responses also noted that peak-hour traffic accumulated on the Canning Highway, and at the Riseley Street / Kearns Crescent intersections, impacting on pedestrian access and safety in the precinct's central areas.

**Look and feel**

In general, comments on the category of look and feel expressed support for the centre's compact scale, with a diverse mix of retail, commercial and restaurants / cafes.

Some comments nominated the example of a local hub or urban village, noting however that currently intrusive parking and traffic, dated built form and low quality streetscape detracted from the centre's pedestrian-focused potential.

Comments included improved landscaping, public art, improved pedestrian permeability, public spaces and safety, such as improved visibility and lighting in the centres streets, mid-block mews and laneways.

**Safety**

In general, comments on the category of safety focused on the impact of traffic passing through Kearns Crescent and Willcock Street, their intersections at Riseley Street, and the impact on pedestrians arising from poor visibility, traffic speed and kerb-side parking.

Some comments suggested strategies to better manage parking and to moderate traffic and vehicular speed throughout the precinct.

Some comments indicated that higher densities, increased traffic, vehicular emissions and noise along Canning Highway, could potentially contribute to negative impacts on community health.

**P12/3313 – DRAFT VISION FOR THE RISELEY CENTRE – FEEDBACK FROM COMMUNITY FORUMS AND CENTRE STRUCTURE PLAN (REC)**

Eyes-on-the-street', improved lighting and physical security services were suggested as strategies for improved personal security in the after-business-hours precincts.

**Table groups feed back on their overall view of the Draft Vision**

Table groups submitted their feedback in response to their overall view of the *Draft Vision*, as presented at their workshop.

The feedback options ranged from

- Strongly opposed
- Opposed
- Support
- Strongly support
- Don't know

The table groups feed back comments provided the following responses for each of the forums.

Table No.	Group View
1	Support
2	Support
3	Support
4	Support
5	2 Strongly Oppose
5	3 Support
6	Support
7	Oppose
8	Support
9	Support
10	Most support and 1 strongly oppose
10	5 support
11	Support
12	4 strongly oppose
12	2 support
12	3 strongly support
14	Strongly oppose

**Table Group Forum 16 November 2011**

**P12/3313 – DRAFT VISION FOR THE RISELEY CENTRE – FEEDBACK FROM COMMUNITY FORUMS AND CENTRE STRUCTURE PLAN (REC)**

Table No.	Group View
1	Oppose
2	Support
3	Support
4	Support and Strongly Support
5	Support
5	Support
6	Support
7	Not used
8	Support
9	Support
10	Support
11	3 Support, 1 Strongly Support
12	Support

**Table Group Forum 21 November 2011**

Table No.	Group View
1	Support
2	Oppose
3	Generally Supported
4	Generally Supported
5	General support but lots of work to be done
6	Support but early days and lots more work to be done
7	Generally support but a few don't know

**Table Group Forum 22 November 2011**

**PUBLIC CONSULTATION / ENGAGEMENT**

The Draft Vision was released for community information and feedback in October 2011.

The City's community information forum process was advertised to over 1,300 residents and businesses in close proximity to the Riseley Centre, as well as through articles in the local and metropolitan print media. Approximately 240 stakeholders attended the three facilitated community information and feedback forums held on 16, 21 and 22 November 2011.

The aggregated overall views for each Forum are presented in graph form and illustrate a distinct trend for overall support of the Draft Vision.

Comments submitted will be integrated into the next phase of the project, being the commencement of technical studies and the preparation of an activity centre structure plan.

In April 2012 a petition signed by 497 residents and 10 non-residents was received by the City of Melville.

**P12/3313 – DRAFT VISION FOR THE RISELEY CENTRE – FEEDBACK FROM COMMUNITY FORUMS AND CENTRE STRUCTURE PLAN (REC)**

The petition reads as follows –

*“We, the undersigned, all being Electors of the City of Melville, do humbly pray that Height limits in the Riseley Centre, Ardross be restricted to four storeys. The proposal to allow ten storeys would lead to traffic becoming unmanageable, visual amenity of the area decreasing and local residents being severely impacted by the development. We ask you to urgently reconsider this draft development proposal.”*

The petition was presented to the Ordinary Meeting of Council held on 15 May 2012. In relation to the petition Council resolved **“that the petition bearing 507 signatures be received and acknowledged in writing to the lead petitioner with the advice that a report will be presented to a future meeting of Council.”**

Comments submitted will be integrated into the next phase of the project, being the commencement of technical studies and the preparation of an activity centre structure plan.

**CONSULTATION WITH OTHER AGENCIES / CONSULTANTS**

Consultation and ongoing project liaison with planning, services and utilities agencies will be required as the detail of specific studies and of the structure planning process are formulated and implemented.

**STATUTORY AND LEGAL IMPLICATIONS**

There are no immediate statutory or legal implications at this stage of the project.

**FINANCIAL IMPLICATIONS**

Project planning estimates identify a timeline of approximately 12 to 18 months for the completion of specific studies and the structure planning process, for which \$120,000 is allocated in the draft 2012/2013 budget.

**STRATEGIC, RISK AND ENVIRONMENTAL MANAGEMENT IMPLICATIONS**

There are no immediate strategic or risk management implications at this stage of the project.

**POLICY IMPLICATIONS**

Directions 2031 and Beyond and the draft Central Metropolitan Perth Sub-Regional Policy, indicate a focus of growth in higher residential densities along public transport corridors and within Activity Centres.

Canning Highway is one such public transport corridor and the City of Melville's *Local Planning Scheme* and *Local Planning Strategy* will guide the implementation of these policies at the local level.

**P12/3313 – DRAFT VISION FOR THE RISELEY CENTRE – FEEDBACK FROM COMMUNITY FORUMS AND CENTRE STRUCTURE PLAN (REC)**

A number of metropolitan planning policy instruments provide guidance on the stages, processes and content for developing structure plans for activity centres.

These instruments include the *State Planning Policy 4.2 Activity Centres for Perth and Peel*, *State Planning Policy 3.1 Residential Design Codes*, (in particular Table 4), *Liveable Neighbourhoods* and *Directions 2031 and beyond*.

The Riseley Centre precinct is designated as a District Centre in the WAPC State Planning Policy 4.2 Activity Centres for Perth and Peel.

The preparation of an activity centre structure plan for the Riseley District Centre is consistent with the guidelines expressed in the metropolitan policy and planning instruments.

**ALTERNATE OPTIONS & THEIR IMPLICATIONS**

Council could choose to not proceed with the preparation of an Activity centre Structure Plan for the Riseley District Centre, however this is not recommended as it is inconsistent with the State Government policy as expressed in the WAPC State Planning Policy 4.2 relating to Activity Centres.

**CONCLUSION**

The *Draft Vision for the Riseley Centre* is a first step in preparing a staged approach to assessing and planning the Riseley District Centre's potential as a transit oriented activity centre.

Community feedback on the Draft Vision indicates a level of broad support for the revitalization of the Riseley District Centre.

Initiation of the preparation of an activity centre structure plan would include, but not be limited to, further technical studies, assessments and frameworks for the following:

- options for urban form, built form and building heights (e. g. utilizing an enquiry-by-design process )
- options for urban form, built form and building heights
- land uses and activities integrating commercial, retail and residential mixed uses
- retail sustainability assessment
- employment self-sustainability
- housing diversity
- pedestrian and vehicular access and circulation,
- public spaces and streetscapes
- public transport and traffic
- parking
- community safety issues

**P12/3313 – DRAFT VISION FOR THE RISELEY CENTRE – FEEDBACK FROM COMMUNITY FORUMS AND CENTRE STRUCTURE PLAN (REC)**

- developer contributions
- implementation guidelines and stages
- interagency liaison
- statutory instruments
- governance and partnerships
- management and administrative roles and responsibilities

These components will establish the basis for an activity centre structure plan and detailed statutory implementation guidelines.

The structure planning process will also integrate the community's comments on the Draft Vision.

The staging of the activity centre structure plan will include engagement of stakeholders for comments and feed back, and briefings and reports to Council on the detail of options, planning and implementation stages for a revitalization of the Riseley District Centre.

**OFFICER RECOMMENDATION (3313)****APPROVAL**

At 6.48pm Cr Reidy moved, seconded Cr Robartson -

**That the Council:**

1. **Notes the submissions received from the community on the Draft Vision for the Riseley Centre.**
2. **Notes the community's generally supportive responses to the Draft Vision for the Riseley Centre and that the further planning process should acknowledge and incorporate the feed back and comments contributed by the community in response to the Draft Vision for the Riseley Centre.**
3. **Notes the number of concerns raised from within the community related to built forms and building heights and accordingly supports a review of the heights, locations and distribution of built form illustrated in the *Draft Vision for the Riseley Centre*, as components of further detailed studies and the structure planning process.**
4. **Notes that the built form and building heights illustrated in the Draft Vision for the Riseley Centre are indicative only and are to be reviewed as part of the preparation of an Activity Centre Structure Plan for the Riseley District Centre.**
5. **Not adopt the Draft Vision for the Riseley Centre at this time, pending testing and review of the concepts contained within that document as part of the preparation of an *Activity Centre Structure Plan for the Riseley District Centre*.**

**P12/3313 – DRAFT VISION FOR THE RISELEY CENTRE – FEEDBACK FROM  
COMMUNITY FORUMS AND CENTRE STRUCTURE PLAN (REC)**

6. In supporting the preparation of an *Activity Centre Structure Plan for the Riseley District Centre*, does not intend that any component of the *Draft Vision for the Riseley Centre* have any status as policy or be interpreted as implying guidance for decision-making on development applications but rather that the *Draft Vision for the Riseley Centre* is simply a stage in the process towards the preparation of an Activity Centre Structure Plan.
- 7 Supports the preparation of an Activity Centre Structure Plan for the Riseley District Centre as detailed in the Western Australian Planning Commission's State Planning Policy 4.2 – Activity Centres for Perth and Peel and including the general project components outlined in Report P12/3313 (Draft Vision For The Riseley Centre – Feedback From Community Forums And Centre Structure Plan) comprising but not limited to the following:
  - options for urban form, built form and building heights (e. g. utilizing an enquiry-by-design process)
  - options for urban form, built form and building heights
  - land uses and activities integrating commercial, retail and residential mixed uses
  - retail sustainability assessment
  - employment self-sustainability
  - housing diversity
  - pedestrian and vehicular access and circulation,
  - public spaces and streetscapes
  - public transport and traffic
  - parking
  - community safety issues
  - developer contributions
  - implementation guidelines and stages
  - interagency liaison
  - statutory instruments
  - governance and partnerships
  - management and administrative roles and responsibilities.
8. Note that the lead petitioner on the petition signed by City of Melville residents and non-residents, received by the Council at its meeting of 15 May 2012, is to be notified in writing of points 1-7 above.

**P12/3313 – DRAFT VISION FOR THE RISELEY CENTRE – FEEDBACK FROM  
COMMUNITY FORUMS AND CENTRE STRUCTURE PLAN (REC)**Amendment 1

At 6.50pm Cr Pazolli moved, seconded Cr Nicholson –

**That the following sentence be added to recommendation 4 -**

***That the Council does not support ten storey building heights in the Riseley Centre or along Canning Highway within the Riseley Precinct and the structure planning process should consider restricting building height to less than six storeys only for developments between the Kearns Crescent and Willcock Street areas provided the developments are on land larger than a minimum area and delivers public benefits on amenities.***

At 7.16pm Cr Pazolli, with agreement of the seconder Cr Nicholson, withdrew Amendment 1.

Amendment 2

At 7.16pm Cr Pazolli moved, seconded Cr Kinnell -

**That point 9 be added to the recommendation as follows -**

***9. That in considering any future development of the Riseley Street Centre that the Council does not support ten storey building heights in the Riseley Centre or along Canning Highway within the Riseley Precinct and the structure planning process should consider restricting building height to less than six storeys only for developments between the Kearns Crescent and Willcock Street areas provided the developments are on land larger than a minimum area and delivers public benefits on amenities.***

At 7.28pm the Mayor submitted amendment 2, which was declared

**CARRIED (7/4)**

**Cr Pazolli requested that the votes be recorded –**

**For: Mayor R Aubrey, Cr Hill, Cr Nicholson, Cr Pazolli, Cr Reidy,  
Cr Robartson, Cr Taylor-Rees**  
**Against: Cr Foxtan, Cr Kinnell, Cr Macphail, Cr Reynolds**

**P12/3313 – DRAFT VISION FOR THE RISELEY CENTRE – FEEDBACK FROM  
COMMUNITY FORUMS AND CENTRE STRUCTURE PLAN (REC)****COUNCIL RESOLUTION (3313)****APPROVAL**

At 7.28pm the Mayor submitted the substantive motion as amended –

**That the Council:**

1. Notes the submissions received from the community on the Draft Vision for the Riseley Centre.
2. Notes the community's generally supportive responses to the Draft Vision for the Riseley Centre and that the further planning process should acknowledge and incorporate the feed back and comments contributed by the community in response to the Draft Vision for the Riseley Centre.
3. Notes the number of concerns raised from within the community related to built forms and building heights and accordingly supports a review of the heights, locations and distribution of built form illustrated in the *Draft Vision for the Riseley Centre*, as components of further detailed studies and the structure planning process.
4. Notes that the built form and building heights illustrated in the Draft Vision for the Riseley Centre are indicative only and are to be reviewed as part of the preparation of an Activity Centre Structure Plan for the Riseley District Centre.
5. Not adopt the Draft Vision for the Riseley Centre at this time, pending testing and review of the concepts contained within that document as part of the preparation of an *Activity Centre Structure Plan for the Riseley District Centre*.
6. In supporting the preparation of an *Activity Centre Structure Plan for the Riseley District Centre*, does not intend that any component of the *Draft Vision for the Riseley Centre* have any status as policy or be interpreted as implying guidance for decision-making on development applications but rather that the *Draft Vision for the Riseley Centre* is simply a stage in the process towards the preparation of an Activity Centre Structure Plan.

**P12/3313 – DRAFT VISION FOR THE RISELEY CENTRE – FEEDBACK FROM COMMUNITY FORUMS AND CENTRE STRUCTURE PLAN (REC)**

- 7 Supports the preparation of an Activity Centre Structure Plan for the Riseley District Centre as detailed in the Western Australian Planning Commission's State Planning Policy 4.2 – Activity Centres for Perth and Peel and including the general project components outlined in Report P12/3313 (Draft Vision For The Riseley Centre – Feedback From Community Forums And Centre Structure Plan) comprising but not limited to the following:**
- options for urban form, built form and building heights (e. g. utilizing an enquiry-by-design process)
  - options for urban form, built form and building heights
  - land uses and activities integrating commercial, retail and residential mixed uses
  - retail sustainability assessment
  - employment self-sustainability
  - housing diversity
  - pedestrian and vehicular access and circulation,
  - public spaces and streetscapes
  - public transport and traffic
  - parking
  - community safety issues
  - developer contributions
  - implementation guidelines and stages
  - interagency liaison
  - statutory instruments
  - governance and partnerships
  - management and administrative roles and responsibilities.
- 8. Note that the lead petitioner on the petition signed by City of Melville residents and non-residents, received by the Council at its meeting of 15 May 2012, is to be notified in writing of points 1-7 above.**
- 9. *That in considering any future development of the Riseley Street Centre that the Council does not support ten storey building heights in the Riseley Centre or along Canning Highway within the Riseley Precinct and the structure planning process should consider restricting building height to less than six storeys only for developments between the Kearns Crescent and Willcock Street areas provided the developments are on land larger than a minimum area and delivers public benefits on amenities.***

At 7.40pm the Mayor declared the motion

**CARRIED (11/0)**

At 7.43pm Ms Young and Mr Taylor left the meeting.

**P12/3315 - POLICY REVIEW – CP-005 LAND AND PROPERTY RETENTION, DISPOSAL AND ACQUISITION (REC) (ATTACHMENT)**

Ward : All  
 Category : Policy  
 Subject Index : Urban Planning Policy  
 Customer Index : City of Melville  
 Disclosure of any Interest : No Officer involved in the preparation of this report has a declarable interest in this matter.  
 Previous Items : C11/5199 - Policy Review – Corporate Services  
 15 November 2011  
 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 checked="" type="checkbox"/>	<b>Executive</b>	<b><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></b>
<input type="checkbox"/>	Legislative	<i>Includes adopting local laws, town planning schemes &amp; policies.</i>
<input type="checkbox"/>	Review	<i>When the Council reviews decisions made by Officers.</i>
<input type="checkbox"/>	Quasi-Judicial	<i>When the Council determines an application/matter that directly affects a person's right and interests. The judicial character arises from the obligation to abide by the principles of natural justice. Examples of Quasi-Judicial authority include town planning applications, building licences, applications for other permits/licences (eg under Health Act, Dog Act or Local Laws) and other decisions that may be appealable to the State Administrative Tribunal.</i>

**P12/3315 - POLICY REVIEW - CP-005 LAND AND PROPERTY RETENTION, DISPOSAL AND ACQUISITION (REC) (ATTACHMENT)****KEY ISSUES / SUMMARY**

- The City of Melville currently has a policy (CP-005) that provides the framework which informs the retention, disposal and acquisition of land and property.
- The City of Melville has a very large and complex land and property portfolio and has previously identified opportunities to better utilise this portfolio to meet the strategic needs of the organisation and the broader needs of the community.
- The current Policy is considered insufficient to enable a consistent methodology to be applied to such complex land and property ownership and the financial rigour and assessment that is considered appropriate to any report to Council on such matters.
- The Policy has been extensively reviewed to create a document more suitable for the scale of the City's property portfolio and the issues that will arise in considering property retention, disposal and acquisition.
- In addition to the Policy, an extensive operational procedure provides the detail to carry out the Policy direction set by Council.
- This report recommends that Council adopt the reviewed Land and Property Retention, Disposal and Acquisition Policy.

**BACKGROUND**

The Council has previously adopted CP-005 Property Retention and Disposal as its Policy with respect to land and property matters and this Policy has been subject to periodic review in accordance with the review processes.

The City of Melville owns and controls a very large and complex property portfolio through which this current Policy (CP-005) provides the framework by which the management of this portfolio is to occur.

The complexity of this property portfolio requires that the Policy established by the Council also needs to be of adequate scale and complexity to consider all matters relevant in property management, as well as establishing a consistency with respect to the manner in which property matters are presented to Council for consideration.

On review of the current Policy (CP-005), the Strategic Property Management Group (an operational cross functional team within the City) concluded that the current Policy did not provide the level of rigour appropriate to the complexity of the property portfolio controlled or owned by the City and, as such, a Policy more appropriate to the subject matter was required.

**P12/3315 - POLICY REVIEW - CP-005 LAND AND PROPERTY RETENTION, DISPOSAL AND ACQUISITION (REC) (ATTACHMENT)****DETAIL**

Local Governments, like all spheres of government, have finite resources at their disposal. Such resources are often in high demand and the community has a high expectation for both the type and quality of services that it expects to be delivered by its local government.

In order to be less dependent upon general rates as the primary funding source for the provision of services each year, the City aims to diversify its income opportunities by raising revenues from additional sources.

Recent changes to legislation have limited the range of investments and therefore returns local government can achieve from its cash holdings resulting in a need to replace the forgone investment income opportunities from alternative sources.

This reviewed and updated Policy (attached) aims to provide a strategic position with respect to the management of the City's land and property assets and to develop a vision for the use of these assets providing the desired level of service to the community, ensuring that such services are provided from the most appropriate locations and where appropriate, aid in the development of a land bank of property assets that will return an appropriate rate of return on investment.

[3315 CP 005 Land & Property Retention Disposal & Acquisition](#)

Traditionally, Council Policies are written by Council Officers who reference current best practice approaches from within local government (and other disciplines) to create the content of Policy documents.

In Western Australian, very few local governments have a highly developed strategic approach to property and, as such, best practice within the industry is more difficult to ascertain.

At a national and international level, there are a number of examples of local governments with highly developed property portfolios and very complex systems to manage these portfolios. However, the legislative framework applicable within these local governments differs significantly from that which currently exists in Western Australia.

As such, it was considered inappropriate to replicate such policies from other states or countries when the prevailing legislation in Western Australia does not provide the scope for many of these practices and methodologies to occur.

In order to develop a Policy that both captures the prevailing legislation applicable in Western Australia as well as applying commercially and risk appropriate methodologies, advice was sought from two independent experts in the field of property management, development, acquisition and disposal.

The two independent experts used were:

- Ross Hughes Property – a long term and substantial local property agent with extensive experience in local commercial, retail and residential property and development; and
- Hegney Property Group – the largest independent valuation company in Western Australia.

**P12/3315 - POLICY REVIEW - CP-005 LAND AND PROPERTY RETENTION, DISPOSAL AND ACQUISITION (REC) (ATTACHMENT)**

It was considered that using these two experts, each significantly different from the other, would provide sufficient independent analysis and rigour to the review of the Policy and enable the Council to have confidence that the content of the document appropriately takes into consideration all matters relevant to this subject.

Both independent experts were asked to prepare a report in respect to property acquisition, disposal and development and consider the prevailing risk profiles for each type of transaction. In addition, financial modelling systems were requested that could be used as a template for future property transactions.

The resultant Policy is created as a direct result of the information received from both parties, with some areas expanded to more appropriately consider the process and prevailing legislative framework of Local Government.

The Policy captures the key principles that impact upon property ownership and management by Local Government.

**PUBLIC CONSULTATION/COMMUNICATION**

There has been no public consultation on the development of this Policy, although industry experts have provided input as indicated.

This need to properly consult the community, with respect to matters affecting property, is a key foundation of the Local Government Act 1995 and one that the City of Melville endorses, as consultation helps ensure that decisions are made that provide for the best long term outcomes for its community.

Whilst the Local Government Act 1995 (and applicable Local Government Regulations) provides the statutory framework by which such consultation must occur, the City of Melville may also be required to apply any Consultation Policy of the State Government in matters relating to State Government owned land.

**STATUTORY AND LEGAL IMPLICATIONS**

The Policy and Procedure is consistent with the current Local Government Act 1995 and relevant Regulations. The two prevailing sections of the Local Government Act 1995 that most directly relate to the disposal and acquisition or development of property are Section 3.58 *Disposing of Property and*; 3.59. *Commercial enterprises by local governments*

**FINANCIAL IMPLICATIONS**

There are no financial implications associated with the adoption of the Policy.

Any subsequent report presented to Council that is required to refer to these documents (if adopted) will be required to fully articulate the financial implications of that proposal in accordance with the procedures.

**P12/3315 - POLICY REVIEW - CP-005 LAND AND PROPERTY RETENTION, DISPOSAL AND ACQUISITION (REC) (ATTACHMENT)**

**STRATEGIC, RISK AND ENVIRONMENTAL MANAGEMENT IMPLICATIONS**

The process of Policy review aims to minimise both strategic and risk management implications by ensuring the Policies are consistent with current legislation and Council position with respect to such matters and ensure that all future reports concerning property are consistent in their methodology.

There are no environmental implications associated with this report.

<b>Risk Statement</b>	<b>Level of Risk</b>	<b>Risk Mitigation Strategy</b>
Administration undertakes functions and practices delegated by Council in a manner not in accordance with Council's objectives.	Medium	Ensure sound Council Policy is in place which provides clear guidance to the administration.
Property portfolio is not appropriately managed reducing potential income streams and increasing costs to Council.	High	Ensure that the Council property portfolio is subject to appropriate levels of assessment and analysis to provide the Council with the widest range of options from which to base its decisions.

**POLICY IMPLICATIONS**

This report recommends the replacement of the existing Council Policy CP-005 Property Retention and Disposal with this updated policy – Land and Property Retention, Disposal and Acquisition.

This reviewed Policy aligns with CP-037 Neighbourhood Development Policy that aims to ensure a consistent approach to Neighbourhood Development to gain the greatest community benefit through the facilitation or provision of:

- Appropriately located community facilities owned by the City.
- Facilities consolidated into identified community hubs – which aim to provide:
  - Effective and efficient service coordination and delivery;
  - Place making;
  - Community building; and
  - A localised approach to the delivery of services.
- Provision of services to support and develop community groups.

**P12/3315 - POLICY REVIEW - CP-005 LAND AND PROPERTY RETENTION, DISPOSAL AND ACQUISITION (REC) (ATTACHMENT)****CONCLUSION**

The City of Melville, like many other local governments, has ownership and control of a large land and property portfolio as part of its broader asset base.

This reviewed Policy will ensure that community services are provided from the most appropriate locations and, where appropriate, aid in the development of a land bank of property assets that will return an appropriate rate of return on this investment.

Property assets are one of the largest asset groupings for the City of Melville. The management of the City's other asset classes (such as roads and other infrastructure assets, cash holdings) are all guided by other Council Policies.

The review of current Council Policy CP-005 has been undertaken to provide a Policy more appropriate to the scale and complexity of the property assets owned or controlled by the City and to ensure that all future reports to Council concerning these property assets are provided in a consistent manner

**OFFICER RECOMMENDATION & COUNCIL RESOLUTION (3315)****APPROVAL**

At 7.49pm Cr Nicholson moved, seconded Cr Macphail -

**That the Council adopt the revised [Policy CP-005 Land and Property Retention, Disposal and Acquisition](#)**

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

**CARRIED (9/2)**

**T12/3300 – WEEKLY RECYCLING REVIEW (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 : Not Applicable  
 Works Programme : Not Applicable  
 Funding : 2012/2013 \$243,454 per annum  
 Responsible Officer : Phillip Adams  
 Manager Operations 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"/>	<b>Executive</b>	<b><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></b>
<input type="checkbox"/>	Legislative	<i>Includes adopting local laws, town planning schemes &amp; policies.</i>
<input type="checkbox"/>	Review	<i>When the Council reviews decisions made by Officers.</i>
<input type="checkbox"/>	Quasi-Judicial	<i>When the Council determines an application/matter that directly affects a person's right and interests. The judicial character arises from the obligation to abide by the principles of natural justice. Examples of Quasi-Judicial authority include town planning applications, building licences, applications for other permits/licences (eg under Health Act, Dog Act or Local Laws) and other decisions that may be appealable to the State Administrative Tribunal.</i>

**T12/3300 – WEEKLY RECYCLING REVIEW (REC)****KEY ISSUES / SUMMARY**

- On 20 December 2012, in response to a Report recommending the implementation of the replacement of 240 litre recycling bins with 360 litre recycling bins on a selective opt in basis, Council asked that a report be prepared further investigating the benefits and financial implications of a weekly pick up of the existing 240 litre recycling bins.
- Further research and financial modelling has been undertaken.
- The original report assumed participation levels of 50%, however information from the Eastern States now indicates that this could be as low as 20% and that in order to achieve the aim of improving levels of recycling in the community a 360 litre bin scheme would need to be universal and without the \$25 charge.
- A weekly pick up scheme would avoid the need for expenditure on additional bins, but would require additional refuse trucks. The capital cost of purchasing these trucks would require substantial capital expenditure however leasing them is a viable option.
- A weekly pick up scheme would incur ongoing higher costs because of the continuing need for additional vehicles, but offers the opportunity for higher levels of recycling transfer (480 litres per fortnight rather than 360 litres) and is perceived as being more user friendly and offering an increased level of service to City of Melville residents.
- Councils are being encouraged by the State to decrease the net tonnages of domestic waste being disposed of into landfill in alignment with State Government Policy. The WA State Government's updated Waste Strategy was released in March 2012 and the new targets for recycling recovery from municipal solid waste in the Perth Metropolitan Region are 50% by 2015 (up from 36% in 2009/10) and 65% by 2020.
- The migration of domestic waste volumes from Municipal Solid Waste (MSW) to recycling (REC) is also attractive in order to achieve savings in disposal costs.
- This report recommends the introduction of weekly recycling.

**BACKGROUND**

At the Ordinary Council Meeting of 20 December 2011 Council resolved as follows:

***That the Council -***

- 1. Approve the replacement of the 240 litre recycling bin with the 360 litre recycling bin on a selective opt in basis.***
- 2. Approve the staged implementation of the 360 litre Recycling Bins over a four year period.***
- 3. By absolute majority decision approve the imposing of a fee being a one off charge of \$25 to the residents who chose to take up the offer of the 360 litre bin.***
- 4. Approve the initial purchase of 5,040 bins.***

**T12/3300 – WEEKLY RECYCLING REVIEW (REC)****COUNCIL RESOLUTION (3280)****APPROVAL*****Reject and Replace***

*At 7.36pm Cr Robartson moved, seconded Cr Willis that -*

***The Officer Recommendation (3280) be rejected and replaced with -***

- 1. That the report further investigate the benefits and financial implications of a weekly pick up of the existing 240 litre recycling bin:***
- 2. That a further report be brought to the Council in early 2012.***

*At 8.16pm the Mayor submitted the motion, which was declared*

**CARRIED (11/2)”**

Reasons for Reject and Replace

A neighbouring local government has recently moved to a weekly pick up of 240 litre recycling bins that has resulted in an increase in recyclables collected and a decrease in MSW volumes.

The Southern Metropolitan Regional Council (SMRC) conducted a trial in 2006 that indicated a significant increase in recyclable products with a reduction in volume of MSW was achieved through a weekly pick up.

Indications are that the gate fees for the Material Recovery Facility (MRF) are expected to decrease on completion of the reconstructed MRF at Canning Vale.

**DETAIL**

Following the above decision of Council, the City of Melville's Waste Services conducted a desk-top review to further investigate the possible implementation of a domestic weekly recycling service.

The assessment was conducted to determine the financial implications of introducing a weekly recycling service as an alternative to the proposed implementation of a voluntary fortnightly 360 litre recycling bin service. Additionally the question of whether a fortnightly service should be on a voluntary basis with a \$25 contribution to the cost of the 360 litre bin has been revisited based on the limited environmental impacts of the scheme based on the existing assumption of a 50% take up.

It is understood from discussions with staff at Brisbane City Council that their original plans for a voluntary scheme were abandoned because of the low numbers of residents opting in (believed to be 20%), and the scheme is now obligatory but with no contribution required towards the bin cost. As a result of this information, costs have been calculated to reflect a 20% uptake as well as 50%.

Currently the City's domestic recycling service collects 12,025 tonnes per annum and consists of 15 routes comprising of 19,500 services per week, or 1,300 bin lifts per day for each recycling truck.

**T12/3300 – WEEKLY RECYCLING REVIEW (REC)**

Weekly recycling would place an additional burden on existing routes and trucks which would not be achievable with the current fleet numbers. Re-routing and productivity improvements will need to be addressed and scrutinised to capture any and all associated productivity improvements, however, to cater for the additional volumes and services with weekly recycling there will be a need for additional trucks and drivers. It has been determined (based on like for like scenarios through research and investigation with the City of Cockburn) that an additional three recycling trucks will be required to ensure that a continued high level of service is delivered. Outright purchasing of additional trucks would require initial funding of approximately \$1M, therefore the assessment has been based on leased trucks.

A recent review has been undertaken of Waste Services which suggests that it should be possible to reduce the number of currently held spare trucks. Unfortunately these trucks would not be suitable long term for use as recycling trucks. This is because a purpose built recycling truck has a 30 cubic metre body as opposed to the 22 cubic metre bodies of standard waste trucks, including the spare trucks. The recycling trucks have a greater volume capacity in order to restrict over compaction of recyclables. If recyclables are over compacted this reduces the amount that can be used as it slows processing at the Materials Recovery Facility (MRF) and as a result it attracts an additional charge. The purpose built trucks carry a greater load and therefore reduce the amount of trips to the MRF increase efficiency and reduce the carbon footprint.

It is accepted that, as with the original proposal of 360 litre bins and fortnightly collections, weekly recycling will provide a long term effective solution to increase the level of service to the City of Melville residents and the migration of domestic waste volumes from MSW to recycling to provide savings in disposal costs and to encourage Melville residents to increase their recycling behaviours. Benefits should include a reduction in contamination of the green bin and a reduction of inert waste going to landfill from residuals processing at the Waste Composting Facility. Additionally such a scheme should be more 'user friendly' and will allow for full implementation in the first year rather than a four year phase in period.

Weekly recycling was introduced in the City of Cockburn in January 2011 and they experienced a reduction of MSW volumes of approximately 10% and an increase in recycling volumes of approximately 20%. Based on the City of Cockburn's results it is anticipated that the City of Melville would achieve a similar outcome if Council resolved to implement a domestic weekly recycling service.

Research within Western Australia indicates that the City of Swan has opted for 360 litre bins with fortnightly collection and that this is also under consideration at the City of Fremantle. The Southern Metropolitan Regional Council (SMRC) has a long stated preference for weekly collections based on 240 litre bins. In the Eastern States, the City of Brisbane has opted for 360 litre bins with fortnightly collection, whilst New South Wales local governments are split between the two options.

**T12/3300 – WEEKLY RECYCLING REVIEW (REC)**

Financial implications will be discussed in detail later in this report; however in broad terms the situations are as follows -

- Fortnightly collections using 360 litre bins on a voluntary basis and a \$25 contribution towards the cost of bins phased over four years and assuming 50% participation – an initial capital requirement of \$329,616 per annum for four years, plus inflation - \$1,414,392, with minimal subsequent ongoing costs. If the participation level is 20%, the costs would be \$131,846 per annum for four years, plus inflation - \$565,757, again with minimal subsequent ongoing costs.
- Fortnightly collections using 360 litre bins for all collections, phased over four years – an initial capital requirement of \$911,232 per annum for four years, plus inflation - \$3,836,785 with minimal subsequent ongoing costs.
- Weekly Collection – No initial outlay for new bins, but a need to lease and run three additional Recycling trucks on an ongoing basis - costed at \$2,790,717 in the first four years and some \$741,317 per annum thereafter.

**PUBLIC CONSULTATION/COMMUNICATION**Community Consultation

No additional community consultation has been undertaken.

As a result of the City of Cockburn's implementation of the weekly recycling and based on their Officers' findings, it is evident that the initial and ongoing marketing and community engagement for the project rollout is a crucial and an integral process of the project's success. An estimated \$25,000 for initial rollout and subsequent \$5,000 per annum has been projected to cater for the rollout costs based on their findings. This cost will be required in either scenario – weekly recycling or fortnightly collection of 360 litre bins although the cost is anticipated to be higher for the 360 litre fortnightly option because of its phased implementation.

It is anticipated that along with helping the community change their recycling habits, the provision of an increased collection in weekly recycling will facilitate a greater level of domestic recycling. This in turn will continue to generate savings with the predicted recyclable disposal costs to be 75% lower than the cost to dispose of MSW, however weekly recycling does attract additional plant and manpower costs.

**CONSULTATION WITH OTHER AGENCIES / CONSULTANTS**

Waste Services staff have worked closely with their City of Cockburn colleagues in order to further explore and identify trends, related financial implications and evaluate logistical pros and cons with the implementation of their weekly recycling.

**STATUTORY AND LEGAL IMPLICATIONS**

There are no statutory or legal implications.

**T12/3300 – WEEKLY RECYCLING REVIEW (REC)**

**FINANCIAL IMPLICATIONS**

To assess the financial implications of weekly recycling, the proposed gate fee rates for the 2012/2013 financial year from the SMRC have been used - \$201.70 per tonne for MSW at the Waste Composting Facility and \$45 per tonne for recyclables at the Materials Recovery Facility.

Costings over a five year period are shown below; inflation estimates have been applied based on the figures used in the assumptions for the City of Melville Long Term Financial Plan, as shown below.

Cost	Inflation Assumption	2013/2014	2014/2015	2015/2016	2016/2017
Driver Costs & Internal Recharges-	Pay Increase	5.00%	4.50%	4.00%	4.00%
Bin Maintenance	Non-Pay Increase (CPI linked)	3.43%	3.43%	3.43%	3.43%
Plant Maintenance -	Transport Index	3.00%	3.00%	3.00%	3.00%
Waste Disposal -	Waste Disposal	5.68%	5.68%	5.68%	5.68%

Estimated increased bin maintenance costs due to increased wear and tear and additional bin pick-ups are \$30,000 per annum.

Weekly Recycling Costings

*Note – All figures shown in the tables below are rounded to the nearest dollar*

<b>Plant Costs</b>					
<b>Project Phase and Tasks</b>	<b>2012/13</b>	<b>2013/14</b>	<b>2014/15</b>	<b>2015/16</b>	<b>2016/17</b>
	<b>Y1</b>	<b>Y2</b>	<b>Y3</b>	<b>Y4</b>	<b>Y5</b>
<b>Project Deployment</b>					
Plant lease (ea)	\$72,972	\$72,972	\$72,972	\$72,972	\$72,972
Plant maintenance (tyres,service, maintenance,service,parts, sundries) (ea)	\$49,772	\$51,265	\$52,803	\$54,387	\$56,019
Plant running costs -(Fuel) (ea)	\$22,019	\$22,680	\$23,360	\$24,061	\$24,783
<b>Total per vehicle</b>	<b>\$144,763</b>	<b>\$146,917</b>	<b>\$149,135</b>	<b>\$151,420</b>	<b>\$153,773</b>

**T12/3300 – WEEKLY RECYCLING REVIEW (REC)**

<b>Employee Costs</b>					
<b>Project Phase and Tasks</b>	<b>2012/13</b>	<b>2013/14</b>	<b>2014/15</b>	<b>2015/16</b>	<b>2016/17</b>
	<b>Y1</b>	<b>Y2</b>	<b>Y3</b>	<b>Y4</b>	<b>Y5</b>
<b>Project Deployment</b>					
Waste driver	\$59,500	\$62,475	\$65,286	\$67,898	\$70,614
Workers compensation insurance	\$2,100	\$2,205	\$2,304	\$2,396	\$2,492
Overtime	\$4,400	\$4,620	\$4,828	\$5,021	\$5,222
<b>Total per Driver</b>	<b>\$66,000</b>	<b>\$69,300</b>	<b>\$72,419</b>	<b>\$75,315</b>	<b>\$78,328</b>
<b>Bin Maintenance and Internal Chargeouts</b>					
<b>Project Phase and Tasks</b>	<b>2012/13</b>	<b>2013/14</b>	<b>2014/15</b>	<b>2015/16</b>	<b>2016/17</b>
	<b>Y1</b>	<b>Y2</b>	<b>Y3</b>	<b>Y4</b>	<b>Y5</b>
<b>Project Deployment</b>					
Bin maintenance (p/a)	\$30,000	\$31,029	\$32,093	\$33,194	\$34,333
Internal chargeouts (p/a)	\$9,000	\$9,450	\$9,875	\$10,270	\$10,681
<b>Total (per annum)</b>	<b>\$39,000</b>	<b>\$40,479</b>	<b>\$41,969</b>	<b>\$43,464</b>	<b>\$45,014</b>
<b>Annual Project Costs</b>					
<b>Three Vehicles</b>	<b>\$434,289</b>	<b>\$440,750</b>	<b>\$447,405</b>	<b>\$454,260</b>	<b>\$461,320</b>
<b>Three Drivers</b>	<b>\$198,000</b>	<b>\$207,900</b>	<b>\$217,256</b>	<b>\$225,946</b>	<b>\$234,984</b>
<b>Other costs</b>	<b>\$39,000</b>	<b>\$40,479</b>	<b>\$41,969</b>	<b>\$43,464</b>	<b>\$45,014</b>
<b>Total of above</b>	<b>\$671,289</b>	<b>\$689,129</b>	<b>\$706,629</b>	<b>\$723,670</b>	<b>\$741,317</b>

The above represents a five year cost of \$3.532m.

The cost figures for the proposal for fortnightly collection of 360 litre bins as previously proposed but excluding the costs of the trial and marketing campaign are as follows:

<b>Project Deployment</b>						
Contribution	-\$126,000	-\$126,000	-\$126,000	-\$126,000		-\$504,000
Year 1 purchase (5040 bins)	\$455,616					\$455,616
Year 2 purchase (5040 bins)		\$471,244				\$471,244
Year 3 purchase (5040 bins)			\$487,407			\$487,407
Year 4 purchase (5040 bins)				\$504,125		\$504,125
Year 5 - no bins purchased					0	\$0
<b>Estimated Project Costs (without contingency)</b>	<b>\$329,616</b>	<b>\$345,244</b>	<b>\$361,407</b>	<b>\$378,125</b>	<b>\$0</b>	<b>\$1,414,392</b>

**T12/3300 – WEEKLY RECYCLING REVIEW (REC)**

Should the participation levels prove to be 20% rather than 50%, the costs would be:

<b>Project Deployment</b>						
Contribution	-\$50,400	-\$50,400	-\$50,400	-\$50,400		-\$201,600
Year 1 purchase (2016 bins)	\$182,246					\$182,246
Year 2 purchase (2016 bins)		\$188,497				\$188,497
Year 3 purchase (2016 bins)			\$194,963			\$194,963
Year 4 purchase (2016 bins)				\$201,650		\$201,650
Year 5 - no bins purchased					0	\$0
<b>Estimated Project Costs (without contingency)</b>	<b>\$131,846</b>	<b>\$138,097</b>	<b>\$144,563</b>	<b>\$151,250</b>	<b>\$0</b>	<b>\$565,757</b>

If Council should choose to implement a scheme involving the fortnightly collection of 360 litre bins for all residents, the costings would be as follows:

<b>Project Deployment</b>						
Contribution	0	0	0	0	0	0
Year 1 purchase (10,080 bins)	\$911,232					\$911,232
Year 2 purchase (10,080 bins)		\$942,487				\$942,487
Year 3 purchase (10,080 bins)			\$974,815			\$974,815
Year 4 purchase (10,080 bins)				\$1,008,251		\$1,008,251
Year 5 - no bins purchased					0	\$0
<b>Estimated Project Costs (without contingency)</b>	<b>\$911,232</b>	<b>\$942,487</b>	<b>\$974,815</b>	<b>\$1,008,251</b>	<b>\$0</b>	<b>\$3,836,785</b>

All options will require a marketing campaign in order to maximise impact. It is probable that the fortnightly / 360 litre bin options will require higher expenditure because they would be phased in over four years.

Forecast Disposal costs

As reported above, experience at the City of Cockburn suggests a 10% reduction in MSW and a 20% increase in recyclables. The figures below have been based on a 10% reduction in MSW weight and a corresponding increase in recyclables (which in the City of Melville's circumstances equates to 25.6%). The City of Melville currently disposes of 12,025 tonnes recyclables per annum at \$45 per tonne and dispose of 30,827 tonnes of MSW per annum at \$201.70 per tonne. These disposal fees are based on the draft budget amounts advised by the SMRC.

Based on these calculations, it is estimated that a full reduction/saving for disposal would be \$483,059 in the first year, as shown below.

**T12/3300 – WEEKLY RECYCLING REVIEW (REC)**

	Current Tonnes	Increase/ Reduction	Rate	Amount
MSW	30,827	(3,082.7)	\$201.70	(\$621,780.59)
Recyclables	12,025	3082.7	\$45.00	\$138,721.50
				(\$483,059)

Overall Cost assessment

The tables below incorporate the above information comparing the proposed costs of the two proposals against the proposed savings of disposal costs and based on tonnages remaining constant.

<b>Weekly Recycling</b>	<b>2012/13</b>	<b>2013/14</b>	<b>2014/15</b>	<b>2015/16</b>	<b>2016/17</b>
Estimated Project Costs	<b>\$671,289</b>	<b>\$689,129</b>	<b>\$706,629</b>	<b>\$723,670</b>	<b>\$741,317</b>
Disposal costs savings	<b>-\$483,059</b>	<b>-\$510,473</b>	<b>-\$539,442</b>	<b>-\$570,055</b>	<b>-\$602,406</b>
Overall cost/saving	\$188,230	\$178,656	\$167,187	\$153,615	\$138,911

<b>Figures allowing for the \$25 charge and 50% take up</b>					
<b>Fortnightly Recycling</b>	<b>2012/13</b>	<b>2013/14</b>	<b>2014/15</b>	<b>2015/16</b>	<b>2016/17</b>
Estimated Project Costs	<b>\$329,616</b>	<b>\$345,244</b>	<b>\$361,407</b>	<b>\$378,125</b>	<b>\$0</b>
Disposal costs savings	<b>-\$60,382</b>	<b>-\$127,618</b>	<b>-\$202,291</b>	<b>-\$285,028</b>	<b>-\$301,203</b>
Overall cost/saving	\$269,234	\$217,625	\$159,117	\$93,098	<b>-\$301,203</b>

<b>Figures allowing for the \$25 charge and 20% take up</b>					
<b>Fortnightly Recycling</b>	<b>2012/13</b>	<b>2013/14</b>	<b>2014/15</b>	<b>2015/16</b>	<b>2016/17</b>
Estimated Project Costs	<b>\$131,846</b>	<b>\$138,097</b>	<b>\$144,563</b>	<b>\$151,250</b>	<b>\$0</b>
Disposal costs savings	<b>-\$24,153</b>	<b>-\$51,047</b>	<b>-\$80,916</b>	<b>-\$114,011</b>	<b>-\$120,481</b>
Overall cost/saving	\$107,693	\$87,050	\$63,647	\$37,239	<b>-\$120,481</b>

<b>Figures based on universal distribution and no contribution</b>					
<b>Fortnightly Recycling</b>	<b>2012/13</b>	<b>2013/14</b>	<b>2014/15</b>	<b>2015/16</b>	<b>2016/17</b>
Estimated Project Costs	<b>\$911,232</b>	<b>\$942,487</b>	<b>\$974,815</b>	<b>\$1,008,251</b>	<b>\$0</b>
Disposal costs savings	<b>-\$120,765</b>	<b>-\$255,236</b>	<b>-\$404,582</b>	<b>-\$570,055</b>	<b>-\$602,406</b>
Overall cost/saving	\$790,467	\$687,251	\$570,233	\$438,195	<b>-\$602,406</b>

Funding the Options

Savings realised from the movement of volumes from the domestic MSW to domestic recycling waste disposal collections will partly assist with funding but the additional costs as above need to be funded and would result in an increase in the Residential Refuse charge as shown in the tables below. As can be seen in the following table, the weekly collection option would result in an increase of \$4.79 per annum in the Refuse Charge on an ongoing basis. The fortnightly / 360 litre option would result in much higher increases in the first two years, but by the fifth year offer the opportunity of a material reduction in the Waste Charge.

**T12/3300 – WEEKLY RECYCLING REVIEW (REC)**

These costings assume the same percentage switch from MSW to recycling under both options and it has to be recognised that it is difficult to establish whether this would be the case or whether one is likely to be more successful than the other. It is certainly true that the weekly option offers the opportunity to switch 50% more waste (480 litres versus 360 litres) than the fortnightly / 360 litre option.

<b>Weekly Recycling</b>					
	2012/13	2013/14	2014/15	2015/16	2016/17
Increased cost of weekly recycling	\$188,230	\$178,656	\$167,187	\$153,615	\$138,911
No of households	39,289	39,289	39,289	39,289	39,289
Increase per refuse charge	\$4.79	\$4.55	\$4.26	\$3.91	\$3.54

<b>Fortnightly Recycling with \$25 contribution &amp; 50% take up</b>					
	2012/13	2013/14	2014/15	2015/16	2016/17
Cost / (Saving )	\$269,234	\$217,625	\$159,117	\$93,098	-\$301,203
No of households	39,289	39,289	39,289	39,289	39,289
Increase / Decrease per refuse charge	\$6.85	\$5.54	\$4.05	\$2.37	-\$7.67

<b>Fortnightly Recycling with \$25 contribution &amp; 20% take up</b>					
	2012/13	2013/14	2014/15	2015/16	2016/17
Cost / (Saving )	\$107,693	\$87,050	\$63,647	\$37,239	-\$120,481
No of households	39,289	39,289	39,289	39,289	39,289
Increase / Decrease per refuse charge	\$2.74	\$2.22	\$1.62	\$0.95	-\$3.07

<b>Full Fortnightly Recycling with no contribution</b>					
	2012/13	2013/14	2014/15	2015/16	2016/17
Cost / (Saving )	\$790,467	\$687,251	\$570,233	\$438,195	-\$602,406
No of households	39,289	39,289	39,289	39,289	39,289
Increase / Decrease per refuse charge	\$20.12	\$17.49	\$14.51	\$11.15	-\$15.33

Maintenance Costs

The maintenance costs for the existing 240 recycling litre bins are expected to rise in line with the increased servicing, creating more wear and tear on the bins and reducing their overall life expectancy and serviceability.

An additional estimated annual cost of \$30,000 pa has been allocated in the figures above for ongoing bin maintenance and stock holding of components and parts.

**T12/3300 – WEEKLY RECYCLING REVIEW (REC)****STRATEGIC, RISK AND ENVIRONMENTAL MANAGEMENT IMPLICATIONS**Project Risks

The impact of weekly recycling would be to increase risk and environmental implications because weekly recycling will result in an additional three trucks for domestic recycling on the road each year, increasing traffic and noise for the residents as well as the carbon footprint.

The City of Melville's waste trucks emit an average 45 tonnes of carbon per annum each. As a result, implementing weekly recycling would increase the carbon footprint by 135 tonnes of carbon per annum. The current recyclable waste fleet consumes 68,157 litres of fuel per annum which would also increase with additional trucks for servicing weekly recycling.

The base assumption of this report is that all options would result in very similar increases in the amount of waste being recycled, subject to the limitation of a 50% uptake assumed with the voluntary option. Accordingly a decision needs to be reached based on the balance of increased emissions resulting from a larger waste fleet and the higher long term costs of weekly collections versus the directional push from SMRC and a perception of greater consumer convenience.

The City's Strategic Plan has the goal of "reducing our ecological footprint." Although the reduction in MSW's would support this, the increase in trucks on the road would increase our ecological footprint. In the event that the projected tonnages of switch from MSW to Recycling fail to be achieved, the risk profile of the fortnightly option would be the lower because it has minimal ongoing costs and impacts on the environment. Conversely, should weekly recycling prove more acceptable and achieve higher uptake, then there is the opportunity for a 50% higher switch in volumes. This in turn would align well with Council and State objectives of minimising waste to landfill.

**POLICY IMPLICATIONS**

This report is consistent with Council Policy CP - 030 Environmental Policy which states:

***"Policy Objectives***

*To provide guidance and direction for the City of Melville to minimise our impact on the environment and include climate change considerations in decision making. "*

This report is also consistent with Council Policy CP-036 Waste Minimisation Policy which states:

***"Policy Objectives***

*To provide guidance and direction to the City for the minimisation of collected domestic waste going to landfill, whilst also providing a value for money service to our residents."*

**T12/3300 – WEEKLY RECYCLING REVIEW (REC)**

**ALTERNATE OPTIONS & THEIR IMPLICATIONS**

There are four options that Council could consider.

OPTION	PROS	CONS
<p>1. Implementation of weekly recycling</p>	<ul style="list-style-type: none"> <li>▪ Achieving a higher switch to recycling as a result of offering 480 litres of space per fortnight rather than 360 litres</li> </ul> <p>More user friendly for residents since there is no need to remember which week is the recycling one</p>	<ul style="list-style-type: none"> <li>▪ Three additional trucks with a resultant increase in noise pollution and traffic as well as increasing the City's carbon footprint materially.</li> </ul>
<p>2. Maintenance of the existing fortnightly recycling services plus implementation of 360 litre recycling bins phased in over a four year period on a voluntary basis with volunteers being required to make a \$25 contribution to the cost of their bin.</p>	<ul style="list-style-type: none"> <li>▪ Provide an additional 120ltr of recyclable capacity and a long term decrease in operational costs after higher costs in the first four years</li> <li>▪ Community consultation has been undertaken on 360 litre bins and this can produce a switch to increased recycling with minimal environmental impact</li> </ul>	<ul style="list-style-type: none"> <li>▪ Marketing costs in the first five years would be higher simply because of the phased implementation</li> </ul> <p>Take-up would much less than with other options and the environmental benefits far more limited. Recent research has suggested that participation levels could be as low 20% rather than the 50% originally assumed.</p>
<p>3. Maintenance of the existing fortnightly recycling services plus implementation of 360 litre recycling bins phased in over a four year period on a global basis.</p>	<ul style="list-style-type: none"> <li>▪ Provide an additional 120ltr of recyclable capacity and a long term decrease in operational costs after higher costs in the first four years</li> </ul> <p>Community consultation has been undertaken on 360 litre bins and this can produce a switch to increased recycling with minimal environmental impact.</p>	<ul style="list-style-type: none"> <li>▪ Marketing costs in the first five years would be higher simply because of the phased implementation</li> </ul>
<p>4. Maintain existing fortnightly recycling collections with no changes.</p>	<ul style="list-style-type: none"> <li>▪ Inappropriate long term solution since there is a growing trend among Local Governments to either introduce larger recycling bins or move to weekly recycling</li> </ul>	<ul style="list-style-type: none"> <li>▪ Pressure from residents is expected to grow as the trend becomes more visible.</li> <li>▪ Not provide a solution for increasing volumes of recyclable materials</li> <li>▪ Not facilitate a migration of MSW to recycling</li> </ul> <p>Shows little to no initiative in the provision of environmentally sound waste disposal.</p>

**T12/3300 – WEEKLY RECYCLING REVIEW (REC)****CONCLUSION**

For the last 12 months the City's waste services team has been reviewing and evaluating options available for the most cost effective, environmentally sound recycling collection services currently available for the provision of the City's domestic recycling collection needs. Based on feedback from the broader community it has been indicated that there is a desire and demand for improved recycling capacity.

The view of Officers when writing the original report was based on the results of a trial with residents and was that the preferred option should be fortnightly collections using 360 litre bins on a voluntary basis and with a \$25 contribution towards the cost of the bin. In broad terms this was based on the following considerations:

- No extra trucks required, thus avoiding extra traffic and avoiding increasing the carbon footprint.
- A higher upfront cost because of the purchase of the bins, but materially lower long term costs.
- Allowance for a contribution to be charged to residents who wish to participate in the 360 litre bin scheme. However the contribution may limit the gains because it could restrict uptake.
- Disposal of the existing bins, however this is assumed to be limited to 50% of the existing stock, and indeed may be as low as 20%.
- Subsequent research suggests that participation levels may be far lower than originally believed, making this a far less attractive option from an environmental point of view.
- Costings have been included in this report for both 50% and 20% participation levels.

Costings are included in this report for the option of a universal switch to 360 litre bins and fortnightly collection, broadly the highlights here are:

- No extra trucks required, thus avoiding extra traffic and avoiding increasing the carbon footprint.
- A very high upfront cost because of the purchase of the bins, but materially lower long term costs.
- The disposal of the existing bins would become a major issue with a material environmental and administrative impact.
- It is anticipated that fortnightly collections will not achieve the same levels of acceptance.

Turning to the weekly option a similar summary indicates that:

- The three additional trucks would have a negative impact on ecological and social aspects by increased noise pollution and traffic and would increase the City's carbon footprint.
- Leasing the trucks would result in lower upfront costs, but there would be ongoing higher running costs.
- This offers the opportunity of higher switches to recycling (480 litres per fortnight rather than 360 litres limited to those who have chosen to opt in)
- Weekly collection simplifies the process for the consumer – avoiding remembering which week is which.

**T12/3300 – WEEKLY RECYCLING REVIEW (REC)**

The overall cost analysis/benefit is dependent upon the volumes of migrated waste from MSW to recyclables. It is anticipated that this migration of volumes will improve over time as the residents gain a better understanding and the overall waste strategies of the Perth Metropolitan area improve. The City's commitment to marketing and education will assist in this.

Officers believe that weekly recycling could influence a cultural change in recycling habits. Concerns about the 360 litre options revolve around the risk that both the \$25 charge and the size of the bin may impact take up and not result on the migration volumes expected, which in turn can impact on the apparent cost savings.

One important overall factor in all this is the charge for the disposal of recyclables. The fire at the North Coogee MRF has impacted on this in the short term and the price will not drop back to figures used in these calculations until the new MRF at the SMRC's plant becomes operational. This is forecast to be in August, and no action should be taken concerning any of these recommendations until this has happened and the lower cost can be achieved.

Following the additional review as a result of the Council resolution, Officers now recommend that the weekly recycling option using the existing bins is a better option. The impact on recycling levels and habits will be appreciably higher if this course is followed. In particular the option of voluntary 360 litre bin recycling with a contribution from volunteers would severely restrict the uptake of the scheme and materially impact on the desired outcomes.

**OFFICER RECOMMENDATION (3300)****APPROVAL**

At 7.49pm Cr Kinnell moved, seconded Cr Reidy -

**That the Council:**

- 1. Approve the implementation of weekly recycling utilising the existing 240 litre recycling bins.**
- 2. Approve the leasing of three recycling waste trucks and approve an increase in the staff establishment of three additional waste truck drivers to facilitate the implementation.**
- 3. Commence weekly recycling once the Southern Metropolitan Regional Council's Materials Recycling Facility has reopened.**

**T12/3300 – WEEKLY RECYCLING REVIEW (REC)**Amendment

At 7.49pm Cr Robartson moved, seconded Cr Macphail -

**That points 4 and 5 be included in the Officer Recommendation;**

- 4. Advise the Minister for the Environment, local members of State Parliament and the Waste Management Authority in writing of the Council's decision.**
- 5. Request the local members of the Western Australian State Parliament to advocate to the Premier and Minister for the Environment to provide an amount of \$671,289 from the Waste Avoidance and Resource Recovery Account (Landfill Levy Account) as a contribution to the 2012/2013 Introduction of Weekly Recycling Bin project costs.**

At 7.53pm the Mayor submitted the amendment, which was declared

**CARRIED (11/0)**

Reasons for Amendment

## Item (4)

The City of Melville proposal to introduce a weekly pick up of the 240 litre recycling bin will significantly increase to amount of material that can be recycled from homes across the City. This supports the Government's Towards Zero Waste program. The City participated in the The Zero Waste Plan Development Scheme (ZWPDS) intended to assist local governments in Western Australia with the preparation of a Strategic Waste Management Plan (SWMP) in order to facilitate enhanced planning for waste management and recycling. The City has made a strong commitment to Zero Waste. The Governments efforts to achieve significant reduction on waste to landfill have been very poor and the City should take this opportunity to indicate the efforts made by the City.

## Item (5)

This is intended to place responsibility on our Local Members of Parliament to take a greater interest in the divergence of waste from landfill and requesting them to follow this up with the Premier and the Minister on behalf of the City. It is hoped that this approach will be more effective than a direct approach to the Premier and Minister. 77% of the waste levy funds are still placed into the Department of Environment and Conservation (DEC) general revenue and not used for the purpose for which they are corrected, namely the divergence of waste from landfill. The weekly pick up of recyclables will reduce waste to landfill and it appears very reasonable that the Government make a contribution to this project from the Waste Levy Fund.

**T12/3300 – WEEKLY RECYCLING REVIEW (REC)****COUNCIL RESOLUTION (3300)****APPROVAL**

At 7.56pm the Mayor submitted the substantive motion as amended –

**That the Council:**

1. **Approve the implementation of weekly recycling utilising the existing 240 litre recycling bins.**
2. **Approve the leasing of three recycling waste trucks and approve an increase in the staff establishment of three additional waste truck drivers to facilitate the implementation.**
3. **Commence weekly recycling once the Southern Metropolitan Regional Council's Materials Recycling Facility has reopened.**
4. **Advise the Minister for the Environment, local members of State Parliament and the Waste Management Authority in writing of the Council's decision.**
5. **Request the local members of the Western Australian State Parliament to advocate to the Premier and Minister for the Environment to provide an amount of \$671,289 from the Waste Avoidance and Resource Recovery Account (Landfill Levy Account) as a contribution to the 2012/2013 Introduction of Weekly Recycling Bin project costs.**

At 8.02pm Cr Reidy left the meeting and returned at 8.04pm.

At 8.06pm Cr Reynolds left the meeting and returned at 8.08pm.

At 8.10pm Ms Young returned to the meeting.

At 8.10pm Mr Taylor returned to the meeting.

At 8.25pm the Mayor declared the motion

**CARRIED (7/4)**

**Cr Nicholson requested that the votes be recorded -**

**For: Mayor R Aubrey, Cr Foxton, Cr Hill, Cr Kinnell, Cr Macphail, Cr Reidy, Cr Robartson**

**Against: Cr Nicholson, Cr Pazolli, Cr Reynolds, Cr Taylor-Rees**

**T12/3311 - JOINER STREET PATH PETITION (REC) (ATTACHMENT)**

Ward : Palmyra/Melville/Willagee  
 Category : Operational  
 Subject Index : Joiner Street  
 Customer Index : Mr Peter Tinley, MLA  
 Disclosure of any Interest : No Officer involved in the preparation of this report has a declarable interest in this matter.  
 Previous Items : N/a  
 Works Programme : 2012/2013  
 Funding : Not Applicable  
 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"/>	<b>Executive</b>	<b><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></b>
<input type="checkbox"/>	Legislative	<i>Includes adopting local laws, town planning schemes &amp; policies.</i>
<input type="checkbox"/>	Review	<i>When the Council reviews decisions made by Officers.</i>
<input type="checkbox"/>	Quasi-Judicial	<i>When the Council determines an application/matter that directly affects a person's right and interests. The judicial character arises from the obligation to abide by the principles of natural justice. Examples of Quasi-Judicial authority include town planning applications, building licences, applications for other permits/licences (eg under Health Act, Dog Act or Local Laws) and other decisions that may be appealable to the State Administrative Tribunal.</i>

**T12/3311 - JOINER STREET PATH PETITION (REC) (ATTACHMENT)****KEY ISSUES / SUMMARY**

- A petition to construct a path in Joiner Street Melville was presented to the Council on 17 April 2012.
- This report seeks the Council's endorsement of the path's construction.

**BACKGROUND**

A petition from Mr Peter Tinley AM MLA regarding the construction of a path in Joiner Street Melville was received in March 2012 and presented to the Council on 17 April 2012.

Mr Tinley had made a previous request for the path in April 2011 but this was declined in line with the relative priority of the path as outlined in Council Policy 'CP-033 Path Policy'.

**DETAIL**

In April 2011, Mr Tinley requested the construction of a path in Joiner Street Melville, on behalf of a wheel chair bound resident Mr Dawson. Mr Tinley stated that 'due to the convex construction of Joiner Street and the absence of a footpath, Mr Dawson has no other option but to wheel his chair in the middle of the road'.

This request was declined as it scored a relatively low priority score of 12 (for the northern portion) and 22 (for the southern portion). By way of comparison, paths currently being constructed score in the range of 27 to 36. Attachment [3311 CP 033 Path Policy](#) outlines the parameters to consider when prioritising paths and although disability access and inclusion is considered, the primary practical factors are condition and vehicle numbers. Whilst pedestrian numbers are not often accurately understood, feedback from Travelsmart staff is utilised to address this parameter.

Following on from Mr Tinley's request, he presented a petition, containing 66 signatures, to construct a footpath in Joiner Street Melville.

It is important to mention at this point, that the City has recently reduced the amount of funding for the construction of new paths. Previously, approximately \$1.2 million was spent on paths annually with about \$694,000 allocated to renewal for the replacement of existing paths at the end of their useful life and \$509,000 to the construction of new paths.

Whilst the total amount of path expenditure has actually been increased, a recent path condition survey has identified a 'renewal backlog' and the need to shift 'new path' funds to path renewal. As a result, only \$171,870 is allocated to the construction of new paths in the 2012/2013 budget, this in effect only delivers about 2km of paths per annum. The path request being discussed in this report represents approximately 43% of the annual program.

**T12/3311 - JOINER STREET PATH PETITION (REC) (ATTACHMENT)**

**PUBLIC CONSULTATION/COMMUNICATION**

No consultation has been undertaken on this matter to date, however, should Council approve the construction of this path, affected residents will be informed prior to works taking place.

**CONSULTATION WITH OTHER AGENCIES / CONSULTANTS**

No consultation with other agencies or consultants has been undertaken.

**STATUTORY AND LEGAL IMPLICATIONS**

The City is required by The Disability Services Act, to create and implement a Disability Access and Inclusion Plan (DAIP), report on it annually and complete a thorough review of it every five years. In particular, this issue relates to the City's DAIP 2007-2011 Outcome 2- People with disabilities have the same opportunities as other people to access the buildings and facilities of the City of Melville and specifically to task 2.14 which incorporates disability access into management policies and management plans to ensure that access is a feature of all improvements to external environments.

**FINANCIAL IMPLICATIONS**

The draft capital works program for 2012/2013 has allocated \$171,870 to the construction of new paths. \$100,000 of this relates to Bikeplan Implementation works and \$71,870 to new paths in Reynolds Road.

The construction of a path in Joiner Street from McCoy Street north to Marmion Street would cost \$33,159 while a path south from McCoy Street to Leach Highway would cost \$42,163. A path the entire length of Joiner Street would cost in the order of \$75,322.

Should Council support the construction of this path, it is proposed to delete the construction of the paths in Reynolds Street and reduce the Bikeplan works slightly to ensure there is no net effect on the capital work program.

**STRATEGIC, RISK AND ENVIRONMENTAL MANAGEMENT IMPLICATIONS**

<b>Risk Statement</b>	<b>Level of Risk</b>	<b>Risk Mitigation Strategy</b>
As a result of not constructing this path negative reputational consequence may occur	Minor media consequence that is likely presenting a <b>medium</b> risk	Construct the path

**T12/3311 - JOINER STREET PATH PETITION (REC) (ATTACHMENT)****POLICY IMPLICATIONS**

Path Policy CP-033

1. Current Council Policy states that:
  - *“Path maintenance, renewal and construction will be prioritised according to the following parameters:*
    - *Condition (for maintenance and renewal)*
    - *Pedestrian usage.*
    - *Vehicle numbers.*
    - *Assessment of conflict between pedestrians and vehicles.*
    - *Function of path.*
    - *Road visibility, width and condition of verges.*
    - *Disability access and inclusion*
    - *Cycle route planning.*
    - *Residential densities*

*and that we will ‘maintain paths to at least a Condition Level 3 standard’.*

The implications of this are that the City must prioritise paths based on these criteria and also ensure that path conditions are not worse than a level 3 standard. (Note; condition is rated 1 – 5 with 1 being new and 5 being worst). This has also resulted in ‘new path’ funds being ‘transferred’ to the renewal of existing paths reducing the overall budget for new path construction considerably.

**ALTERNATE OPTIONS & THEIR IMPLICATIONS**

The Council may choose not to construct a path at this location or to only construct a single section, that is, from the residence to Leach Highway or the residence to Marmion Street only. These options will result in a negative reputational consequence.

**CONCLUSION**

There has been a request for the construction of this path in the past and this request has now been supported by a petition from the local MLA. Whilst the construction of this path is not strictly in accordance with the Council Path Policy, the request has merit and is consistent with our Disability Access and Inclusion obligations. It is recognised that the policy does not fit this unique situation and, as such, the path’s construction is recommended.

**T12/3311 - JOINER STREET PATH PETITION (REC) (ATTACHMENT)****OFFICER RECOMMENDATION & COUNCIL RESOLUTION (3311)****APPROVAL**

At 9.04pm Cr Nicholson moved, seconded Cr Taylor-Rees -

**That the Council:**

- 1. Approve the construction of a path on the eastern side of Joiner Street Melville between Leach Highway and Marmion Street at a cost of \$75,322 and the draft capital works program be amended to reflect this change, at no net increase, prior to being adopted.**
- 2. Advise the lead petitioner in writing of Point 1 above.**

At 9.04pm Cr Robartson and Cr Pazolli returned to the meeting.

At 9.05pm Mr Tieleman left the meeting.

At 9.06pm Cr Foxton left the meeting and returned at 9.08pm.

At 9.08pm Mr Tieleman returned to the meeting.

At 9.13pm Cr Foxton moved a procedural motion, seconded Cr Reynolds -

***That the question be now put.***

At 9.13pm the Mayor submitted the motion, which was declared

**CARRIED (7/4)****OFFICER RECOMMENDATION & COUNCIL RESOLUTION (3311)****APPROVAL**

At 9.15pm the Mayor submitted the Officer Recommendation -

**That the Council:**

- 1. Approve the construction of a path on the eastern side of Joiner Street Melville between Leach Highway and Marmion Street at a cost of \$75,322 and the draft capital works program be amended to reflect this change, at no net increase, prior to being adopted.**
- 2. Advise the lead petitioner in writing of Point 1 above.**

At 9.15pm the Mayor submitted the motion, which was declared

**CARRIED (9/2)**

**T12/3312 - CLIMATE CHANGE ADAPTATION PLAN (REC) (ATTACHMENT)**

Ward : All  
 Category : Strategic  
 Subject Index : Climate Change  
 Customer Index : N/A  
 Disclosure of any Interest : No Officer involved in the preparation of this report has a declarable interest in this matter.  
 Previous Items : N/A  
 Works Programme : Not Applicable  
 Funding : As detailed in the Climate Change Adaptation Plan  
 Responsible Officer : Ben Kelly  
 Environmental Coordinator

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

**T12/3312 - CLIMATE CHANGE ADAPTATION PLAN (REC) (ATTACHMENT)****KEY ISSUES / SUMMARY**

- Climate change is the long term change to climate. The City is already experiencing the effects of climate change, resulting from reduced rainfall and increased average temperatures. By 2070, climate change science predicts an increase in temperature of 3 to 4 degrees Celsius, an increase in the number of days above 35°C, a decrease in average rainfall by up to 20% and sea level rise of around 75cm.
- Adapting to Climate Change in the City of Melville 2012-2017 ('the plan') has been developed through a series of risk assessment workshops and includes a summary of the predicated climate change impacts within the City, likely risks and actions that can be taken to reduce those risks.
- The plan includes 28 key risks identified across various services provided by the City, and 49 actions to address those risks.
- The plan is valid for five years, and will be reviewed after two years, with the intention of an updated plan being released in 2017.
- Endorsement of the plan, including 49 actions to address climate change risks, is sought in order to formalise the City's approach to adapting to climate change.

**BACKGROUND**

The City has acknowledged that climate change has the potential to be one of the greatest global challenges encountered in the future as it affects communities in a variety of different ways, particular to local areas.

The City has recently signed the Western Australian Local Government Association (WALGA) Declaration on Climate Change to further acknowledge the requirement to manage climate change and demonstrate its commitment to local climate change management. The signing of the declaration was endorsed through Council resolution 3284 at the Ordinary Meeting of Council on 21 February 2012.

Climate change is one of the four key drivers in the City's Corporate Environment Management Framework. In addition, the development of a Climate Change Adaptation Plan has been a key priority for the City in 2011-2012 and is a key strategy in the City of Melville Corporate Plan 2011-2015.

The project plan and outline for the development of the plan was presented to Council at the Elected Member Information Session on 12 July 2011.

**DETAIL**

The plan presents the current climate change situation locally, including predications for the future and includes the results from various staff risk assessment workshops and subsequent actions to adapt to those risks identified.

**T12/3312 - CLIMATE CHANGE ADAPTATION PLAN (REC) (ATTACHMENT)**

Risk assessment workshops, action planning, collation of climate change data and development of the plan occurred between August 2011 – March 2012. The plan has been developed closely with operational managers and responsible officers; in addition the plan has been endorsed by the Operational Management Team (OMT) and the Executive Management Team (EMT).

The key climate change predications for the year 2070 include:

- An increase in temperature of 3 to 4 degrees Celsius,
- An increase in the number of days above 35°C,
- A decrease in average rainfall by up to 20%, and
- A sea level rise of around 75cm.

The risks identified were collated from two staff workshops held in 2011. There are a total of 28 key risks in the plan; each rated according to the likelihood and consequence anticipated to affect the City by 2070.

Actions were developed to address each of the risks and these were created in consultation with individual service areas and responsible officers. Certain risks require multiple actions which occur across different service areas, which results in the plan including 49 specific actions.

Each of the actions are then grouped according to their correlation with the City's Corporate Plan outcomes of either lead by example, business excellence, economic prosperity, a city for people or environmental responsibility. The plan presents these actions in table form listing the relevant risk rating applicable to the risk being addressed, the residual risk expected after the action is implemented, the responsible officer, estimated time frames and estimated budgets.

This adaptation plan has been specifically developed to address risks to the City's operations and delivery of services within areas that the City has operational control. Broader climate change risks on the community and actions for the community to take may be considered through future projects.

**PUBLIC CONSULTATION/COMMUNICATION**

No dedicated public consultation or communication has occurred in the development of this plan, however the City's Corporate Plan, Community Plans and operational documents have been considered.

**CONSULTATION WITH OTHER AGENCIES / CONSULTANTS**

Consultation and discussion has occurred with WALGA, other local governments (via the Sustainability Officer Network Group), Swan River Trust, Department of Environment and Conservation and Department of Climate Change.

**T12/3312 - CLIMATE CHANGE ADAPTATION PLAN (REC) (ATTACHMENT)****STATUTORY AND LEGAL IMPLICATIONS**

There are no specific statutory or legal implications with regard to this item, however the plan may influence future consideration to the statutory planning considerations of building near flood prone areas susceptible to sea level rise.

Whilst no specific risks were identified in this regard in the plan, the City may need to consider these implications particularly around developments on the foreshore areas of the Swan and Canning Rivers.

**FINANCIAL IMPLICATIONS**

Specific financial implications are outlined in the plan. Each action has an estimated budgetary implication ranging from the current existing budget to in excess of \$1 million.

Many of the actions are currently being undertaken with existing budgets or will be incorporated into future budget planning.

Each of the proposed actions will require individual budgetary approval through the normal budget process, with each of the responsible officers identified responsible for submitting budget requirements each financial year.

Endorsement of the Climate Change Adaptation Plan does not guarantee the approval of estimated budget amounts listed against each action.

**STRATEGIC, RISK AND ENVIRONMENTAL MANAGEMENT IMPLICATIONS**

Adapting to Climate Change in the City of Melville 2012-2017 is in essence a risk assessment document, and as such presents the various risks specific to climate change.

As climate change involves the long term alterations to climatic conditions, the risks have been rated to the extremes of 2070. The timeframes for actions to treat the risks have been extended compared to those necessary for high or extreme risks contained in the City's Risk Management Framework.

**POLICY IMPLICATIONS**

The plan has been developed to address the requirements of Council Policy - 030 - Environmental Policy which states:

*"The City recognises that the global climate is changing as a result of an increase in the concentration of greenhouse gas emissions in the atmosphere and those human activities, in part, continue to contribute to increased greenhouse gas emissions along with other naturally occurring factors.*

*The City recognises that climate change may pose particular risks to the community and the delivery of services provided by the City and these risks will require an adaptation and mitigation response. "*

**T12/3312 - CLIMATE CHANGE ADAPTATION PLAN (REC) (ATTACHMENT)****ALTERNATE OPTIONS & THEIR IMPLICATIONS**

The alternative option for this item is to not endorse the plan. The implications of not endorsing the plan include:

- The City not having a formal climate change adaptation plan to address the risks identified;
- A perceived failure of the City to publically recognise the realities of climate change;
- The City would not meet certain aspects of the Western Australian Local Government Association Declaration on Climate Change; and
- Significant risks would remain untreated and consequences in terms of financial, environmental and reputational impacts could increase in the future.

**CONCLUSION**

The endorsement of the plan will be another significant step towards the City acknowledging the realities of climate change and pursuing actions that can address risks into the future. The City is committed to sustainability initiatives and doing everything within its control to ensure the consequences of the City's actions for future generations is taken into account.

**OFFICER RECOMMENDATION & COUNCIL RESOLUTION (3312)****APPROVAL****That the Council:**

1. **Endorse the [3312 Adapting to Climate Change in the City of Melville 2012-2017 plan](#).**
2. **Acknowledge the potential for future budgetary requests regarding specific actions required to adapt to climate change and address climate change risks.**

At 8.26pm the Mayor submitted the motion, which was declared

**CARRIED EN BLOC (11/0)**

**T12/3316 - REVIEW OF WASTE DISPOSAL OPTIONS (REC) (ATTACHMENT)**

Ward : All  
 Category : Strategic  
 Subject Index : Waste  
 Customer Index : Southern Metropolitan Regional Council  
 Disclosure of any Interest : No Officer involved in the preparation of this report has a declarable interest in this matter.  
 Previous Items : T11//3280 360L Bin Trial – Introduction of 360 Litre Recycling Bin  
 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"/>	<b>Executive</b>	<b><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></b>
<input type="checkbox"/>	Legislative	<i>Includes adopting local laws, town planning schemes &amp; policies.</i>
<input type="checkbox"/>	Review	<i>When the Council reviews decisions made by Officers.</i>
<input type="checkbox"/>	Quasi-Judicial	<i>When the Council determines an application/matter that directly affects a person's right and interests. The judicial character arises from the obligation to abide by the principles of natural justice. Examples of Quasi-Judicial authority include town planning applications, building licences, applications for other permits/licences (eg under Health Act, Dog Act or Local Laws) and other decisions that may be appealable to the State Administrative Tribunal.</i>

**T12/3316 - REVIEW OF WASTE DISPOSAL OPTIONS (REC) (ATTACHMENT)****KEY ISSUES / SUMMARY**

- A Motion without Notice was presented to Council in April 2011 requesting a review of waste disposal options.
- The Council resolved that the Chief Executive Officer prepare a report that examines the total costs, risks and environmental outcomes of undertaking municipal waste disposal and recyclables at the Southern Metropolitan Regional Council's Regional Resource Recovery Centre (RRRC) versus other disposal mechanisms currently available to the City.
- A review of the Southern Metropolitan Regional Council (SMRC) Establishment Agreement and the RRRC Project Participant Agreement has identified that the City would need to withdraw from the SMRC and give notice under Clauses 8.10 and 8.11 of the SMRC Establishment Agreement if it wanted to dispose of its waste at an alternative facility.
- Any decision to withdraw from the SMRC could have significant financial implications for the City of Melville and the other RRRC Project Participants.
- Should Council resolve to withdraw from the RRRC Project then it would be unlikely that the remaining RRRC Project Participants could continue to fund the RRRC operations, which could result in the wind up of the RRRC Project.
- If Council resolved to withdraw from the SMRC the City would need to give a full financial years notice under Clause 8.11 of the SMRC Establishment Agreement.
- The only currently available alternative to processing the City's Municipal Solid Waste (MSW) at the RRRC's Waste Composting Facility (WCF) is landfill.
- The only currently available alternative to processing the City's Recycling is at recycling plants operated by the commercial sector at a significantly higher cost per tonne than will be charged by the SMRC at their soon to be completed Recycling plant located at the RRRC.
- There are a number of environmental issues associated with landfill with the most significant being leachate and the cost of monitoring legacy emissions from former landfill sites.
- The SMRC has recently been issued with a new amended licence for a two year period with 22 conditions aimed at improving odour management of the WCF.
- The RRRC Project Participants recently reaffirmed their commitment to continue to financially support the SMRC pending the issuing of an amended licence from the Department of Environment and Conservation.
- Given the significant financial and environmental implications for the City of Melville and the other SMRC Member Councils, it is recommended that the City of Melville remains both a Member of the SMRC and a RRRC Project Participant.

**T12/3316 - REVIEW OF WASTE DISPOSAL OPTIONS (REC) (ATTACHMENT)****BACKGROUND**

The following is an extract from the minutes of the Ordinary Meeting of Council held 19 April 2011 detailing the content of a Motion without Notice tabled by Councillor Subramaniam.

**“16.MOTIONS WITHOUT NOTICE BY ABSOLUTE MAJORITY OF THE COUNCIL****16.1 Review of Waste Disposal Options**

*At 8.41pm Cr Subramaniam moved, seconded Cr Wieland -*

***That the Motion Without Notice relating to the Review of Waste Disposal Options be received.***

*At 8.41pm the Mayor submitted the motion, which was declared*

***CARRIED BY ABSOLUTE MAJORITY (11/0)***

*Cr Subramaniam raised the following in relation to a review of Waste Disposal Options.*

*The cost of disposing of Waste at the Southern Metropolitan Regional Council's (SMRC) Regional Resource Recovery Contra (RRRC) waste composting facility at Canning Vale is currently \$182.75 per tonne ex GST and the draft budget parameters for 2011/2012 show a proposed increase of 6% to \$193.75 per tonne ex GST.*

*The proposed member gate fee for 2011/2012 for the, yet to be reconstructed, Materials Recovery Facility (MRF) is \$82.00 per tonne ex GST. The proposed member gate fee for the Greenwaste facility for 2011/2012 is \$67.20 per tonne compared to \$64.60 per tonne in the current year.*

*The cost of disposal of waste at the City of Rockingham's landfill facility is understood to be approximately \$86.50 per tonne, including the State Government's \$28 per tonne landfill levy.*

*With respect to the cost of disposal of recycling materials it is understood that there may be an opportunity for more competitive disposal rates to be obtained from private industry providers.*

*In order to ascertain whether or not the net environmental benefits associated with disposal of the City's municipal waste at the RRRC's composting facility outweighs the additional costs associated with doing so, it is considered that a report examining these issues would be beneficial.*

The Council then resolved the following:

***That the Chief Executive Officer prepare a report that examines the total costs, risks and environmental outcomes of undertaking municipal waste disposal and recyclables at the Southern Metropolitan Regional Council's Regional Resource Recovery Centre versus other disposal mechanisms currently available to the City.***

*At 8.48pm the Mayor submitted the motion, which was declared **CARRIED (11/0)**”*

**T12/3316 - REVIEW OF WASTE DISPOSAL OPTIONS (REC) (ATTACHMENT)****DETAIL**

The City of Melville is a member of the SMRC and a signatory to the Establishment Agreement for the SMRC dated 22 January 1998.

The City is also a Project Participant and a signatory to the Project Participants' Agreement for the RRRC Project of the SMRC dated 12 April 1999.

Both these documents clearly outline the City's obligations as a member of the SMRC and as a Project Participant of the RRRC Project. Copies of the Establishment Agreement for the SMRC and the Project Participants' Agreement for the RRRC Project of the SMRC form part of the attachments to this Item.

[3316 1998 SMRC Establishment Agreement](#)

[3316 1999 Project Participants Agreement](#)

Section 5.3 of the RRRC 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 RRRC 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 (a) includes Municipal Solid Waste (MSW or green top bin) and recyclables (yellow top bin).

It is clear from the above clauses that the City would be in breach of the RRRC Project Participants' Agreement should it decide not to deliver its recyclable material and green waste to the RRRC.

The only course of action available to the City, without breaching the RRRC Project Participants' Agreement, would be to withdraw from the Project Participants' Agreement for the RRRC Project.

The RRRC Project Participants' Agreement, Section 2.8 specifies the conditions of withdrawal as follows:

**T12/3316 - REVIEW OF WASTE DISPOSAL OPTIONS (REC) (ATTACHMENT)****“2.8 Withdrawal from Project**

- (1) *As soon as practicable after an 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 amended business plan details of any changes to the annual contributions payable by the Project Participants after the withdrawal takes effect.*

**Footnotes**

- 1. *Clause 8.10 of the Establishment Agreement provides that a Project Participant may, at any time, give notice of its intention to withdraw from the Project.*
  - 2. *Clause 8.11 of the Establishment Agreement sets out when the withdrawal takes effect.*
  - 3. *Under clause 8.20 of the Establishment Agreement, the members of the Council appointed by the Project Participants of a Project may resolve, by absolute majority to wind up the project*
  - 4. *Clauses 8.21 and 8.22 of the Establishment Agreement deal with the “Division of Assets” and the “Division of Liabilities” respectively if the Project is wound up.*
- (2) *The Project Participant that has given notice of its intention to withdraw under clause 8.10 of the Establishment Agreement shall meet the cost of preparation of the amended business plan”.*

The respective clauses of Establishment Agreement shown above state as follows:

**“8.10 Withdrawal from Project**

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

**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.*

**8.20 Winding up of Project by Resolution**

*The members of the Council appointed by the Project Participants of a Project may resolve, by absolute majority to wind up the project.”*

**T12/3316 - REVIEW OF WASTE DISPOSAL OPTIONS (REC) (ATTACHMENT)****“8.21 Division of Assets**

*If a Project is to be wound up and there remains, after satisfaction of all its debts and liabilities, any property and assets of the Project then the property and assets shall be realised and the proceeds along with any surplus funds shall be divided among the Project Participants in the agreed proportions referred to in Clause 8.6(a).*

**8.22 Division of Liabilities**

*If a Project is to be wound up and there remains any liability or debt in excess of the realised property and assets of the Project then the liability or debt is to be met by the Project Participants in the agreed proportions referred to in clause 8.6(a)”.*

Should Council resolve to withdraw from the Project Participants' Agreement for the RRRC Project, then serious consideration of enacting Clause 8.20 of the Establishment Agreement by the remaining Project Participants would be the only viable option.

The rationale for the remaining Project Participants possibly enacting Clause 8.20 of the Establishment Agreement is as follows:

The City has the largest share or stake in the Project Participants' Agreement for the RRRC Project at 33.66%. This percentage is based on calculations within Clause 8.6(a) and 8.7(1) of the Establishment Agreement. Clause 8.7(1) states as follows:

**“8.7 Basis on which contributions are Calculated**

(1) *Where the contributions referred to in clause 8.6(a) are calculated on the basis of a unit of measurement (for example):*

1. *number of tonnes of waste processed;*
2. *number of bins of waste collected;*
3. *number of hours of advice given),*

*then that basis shall be applied equally to all Project Participants.*

(2) *This clause shall not apply where, by unanimous resolution, the Project Participants decide otherwise with respect to a particular Project.”*

The City had estimated a total of 30,827 tonnes as part of the 2011/2012 budget process, however recent data from the SMRC indicates the City will generate approximately 32,400 tonnes of MSW this financial year. The other three Project Participants combined MSW totals 38,600 tonnes. The total MSW processed at the RRRC's Waste Composting Facility by the four Project Participants totals 71,000 tonnes.

Should Council resolve to withdraw from the Project Participants' Agreement for the RRRC Project, then there would be reduction of 32,400 tonnes of MSW processed at the Waste Composting Facility. The SMRC would have to source alternative contracts to replace the lost tonnage, which would be extremely difficult or almost impossible at the current gate fee for MSW being \$193.75 per tonne.

**T12/3316 - REVIEW OF WASTE DISPOSAL OPTIONS (REC) (ATTACHMENT)**

To attract customers the SMRC would potentially have to reduce the gate fee for non Project Participants to remain competitive. To remain competitive the MSW gate fee would need to be similar to the gate fees at landfill, which can vary between \$90 and \$105 per tonne. This would result in a potential net loss to the SMRC in excess of \$3 million per annum. This would result in a significant financial impost as the net loss would need to be recouped from the remaining RRRRC Project Participants.

This financial impost would put into question the financial viability of the RRRRC for the remaining Project Participants and perhaps force them to enact Clause 8.20 of the Establishment Agreement and wind up the Project. Should this happen, there are serious financial implications for all Project Participants as a result of the outstanding capital liabilities associated with the SMRC and the RRRRC.

Alternative Waste Disposal Options

Alternative Waste Technologies are limited within Western Australia and further research and development in this field requires further investigation and investment. Currently the only option available other than delivering the City's recyclable material and green waste to the RRRRC is to dispose the waste in landfill sites.

The cost of disposing of waste at landfill sites does vary, for example at the City of Cockburn's landfill site is currently charging \$105 per tonne, while the City of Rockingham is charging \$96.36 per tonne. Both these rates include the State Government's landfill levy of \$28 and include GST. It should also be noted that significant increases in landfill costs are expected to apply from 1 July 2012 due to the implementation of the carbon tax.

It is important to note that if the City was to dispose of its waste to landfill, there would be a significant increase in operating costs resulting from the increased travel distance to the landfill site or a transfer station.

While disposing of MSW in landfill sites is currently a cheaper option than utilising the RRRRC's Waste Composting Facility, there are serious environmental issues associated with disposing of waste in landfill sites. These are detailed in the following Strategic, Risk and Environmental Management Implications section of this report.

With regard to recyclables (yellow top bin), the City was part of a regional contract with the Cities of Fremantle and Cockburn and the Towns of Kwinana and East Fremantle. The tendered rate for recyclables as part of the regional contract was \$35.00 per tonne, however the recent fire at the MRF at North Coogee has resulted in the City disposing of its recyclable material at Cleanaway's MRF at a current cost of \$90 per tonne and rising to \$95 per tonne from 1 July 2012.

This arrangement with Cleanaway is set to expire on the commissioning date of the new RRRRC Material Recovery Facility, expected to be operational in August 2012. Once operational, the City would then commence delivery of its recyclables to the RRRRC as specified in the Project Participants' Agreement for the RRRRC Project. The rate advised by the SMRC for treatment of recyclables at their rebuilt RRRRC facility is \$45 per tonne from 1 July 2012. There are therefore significant cost advantages in using that facility.

**T12/3316 - REVIEW OF WASTE DISPOSAL OPTIONS (REC) (ATTACHMENT)****PUBLIC CONSULTATION/COMMUNICATION**

No specific public consultation has been undertaken in relation to this report. The City has however received numerous communications from members of the public who are opposed to the continuation of this facility due to alleged odour issues which have been the subject of other reports to Council.

**CONSULTATION WITH OTHER AGENCIES / CONSULTANTS**

There has not been any specific consultation with other Agencies or Consultants, however the SMRC have provided input to the Financial Implications and the Environmental Implications associated with this report.

**STATUTORY AND LEGAL IMPLICATIONS**

As stated previously in this report, considerable detail is given to the basis for the involvement by the City in the Project Participants' Agreement for the RRRC Project.

This is based on the City, in the first instance, being a participant in and signatory to the:

1. Establishment Agreement of the Southern Metropolitan Regional Council, dated 22 January 1998;

and in the second instance being a participant and signatory to the:

2. Project Participants' Agreement, Regional Resource Recovery Centre Project of the Southern Metropolitan Regional Council, dated 12 April 1999.

The agreements require a period of 12 months notice in the event that any Project Participant wishes to withdraw from the agreements. The Project Participants also have a duty to deliver all Recyclable Material and Green Waste produced or collected to the RRRC.

Although the agreements are silent on the consequences of a failure to adhere to both or either of these provisions, it is clear that such failure would constitute a breach of the agreement. The effect of a breach of either or both of these provisions would most likely result in a financial loss (damages) to the SMRC with regards to the RRRC. The calculation of such loss, which would be necessitated by such breach, would in itself be an expensive exercise that would add to the quantifiable loss. This is discussed in greater detail under the Financial Implications later in the report.

The resultant loss would in all probability spark the commencement of legal action by way of:

1. An action/application to Court for specific performance; or
2. An action for damages;
3. Any other action/ application to court for an order that may be appropriate under the circumstances.

**T12/3316 - REVIEW OF WASTE DISPOSAL OPTIONS (REC) (ATTACHMENT)**

Any such approach for assistance to the Courts would no doubt be coupled with an order for costs against the City.

No external legal advice has been sought on this matter.

**FINANCIAL IMPLICATIONS**

Depending on the course of action taken, the financial implications associated with the report could be significant, not only for the City of Melville, but also the remaining RRRC Project Participants.

Should Council resolve to withdraw from the Project Participants' Agreement for the RRRC Project in accordance with Clauses 8.10 and 8.11 of the Establishment Agreement, then the City would be responsible for funding an amended business plan. The costs associated with the commissioning of a consultant to prepare an amended business plan are approximately \$300,000.

As stated in Clause 8.11 of the Establishment Agreement, any withdrawal would not take effect until after 30 June 2013, therefore the City would not be able to offset the cost associated with the preparation of the amended business plan until after this date.

The cost to dispose of waste to landfill can vary between landfill operators and if Council resolved to withdraw, then the City would need to tender for the disposal of its waste. At this point it is difficult to accurately price the disposal cost of waste to landfill, however as detailed above the City could expect to achieve a reduction per tonne for MSW of approximately \$90 to \$100. Based on the City's current volumes of approximately 32,400 tonnes, this would result in a saving of approximately \$2.9 to \$3.2 million per annum.

There would however be an increased operating cost for waste collection, depending on the location of the landfill site or transfer station.

Financial Obligations to the SMRC

The SMRC currently has two lending facilities for the following projects:

- The Regional Resource Recovery Centre Project – Loan Limit \$55 Million, and
- The SMRC Administration Building (9 Aldous Place Booragoon) – Loan Limit \$2 Million

The outstanding balance of these loans as at 30 June 2011 is as follows:

The Regional Resource Recovery Centre Project	\$47,937,482
The SMRC Administration Building	\$1,800,000
<b>Total Borrowings</b>	<b>\$49,737,482</b>

The City of Melville's proportion of this borrowing amount as at 30 June 2011 is as follows:

The Regional Resource Recovery Centre Project (33.66%)	\$16,135,127
The SMRC Administration Building (30.34%)	\$546,120
<b>City of Melville Total Liability</b>	<b>\$16,681,247</b>

*Note 1 – percentages shown are rounded to two decimal points.*

*Note 2 – The City of Melville percentage share of the Total Loan Liability will be adjusted down when the 2011 Census Population is released at the end of June 2012.*

**T12/3316 - REVIEW OF WASTE DISPOSAL OPTIONS (REC) (ATTACHMENT)**

Should Council resolve to withdraw from the Project Participants' Agreement for the RRRC Project, then the City would still be liable for this amount and depending on the impact of the withdrawal and the possibility of the remaining Project Participants winding up the Project, this amount could escalate further.

At this point it is not possible to determine if the Western Australian Treasury Corporation would allow the current payment method to continue until 2023 if the Project was wound up. The Western Australian Treasury Corporation may insist that the borrowings be paid in full if the remaining Project Participants decided to wind up the Project.

As stated previously, the financial implications associated with the Council's resolution, should Council resolve to withdraw, will have serious financial implications for the other RRRC Project Participants.

The following details the outstanding liability of the other Project Participants as at 30 June 2011 for the RRRC Project:

<b>Project Participant</b>	<b>Percentage</b>	<b>Liability</b>
City of Canning*	27.98	\$13,923,005
City of Cockburn	26.95	\$13,412,948
Town of East Fremantle	2.42	\$1,205,982
City of Fremantle	8.99	\$4,473,264

\* the City of Canning are no longer a Project Participant as a result of their withdrawal in 2010, however are still responsible for their proportion of the debt.

**RRRC Amended Licence and Financial Implications**

Should Council resolve to remain a Project Participant for the RRRC Project then it is important to consider the financial implications associated with the Amended Licence which forms part of the Attachments to this Item. [3316 DEC Amended Licence](#) The attachment includes the 22 new conditions imposed by the Department of Environment and Conservation (DEC).

The following table is an estimate of costs to comply with the amended licence conditions.

<b>Upgrades</b>	<b>Alternative 1</b>	<b>Alternative 2</b>
15-Dec-12 Spray Systems	Alternative 1	\$400,000
15-Dec-12 Humidification Vessels	Alternative 2	\$1,800,000
30-Jun-12 Monitoring Equipment		\$380,000
1-Nov-12 Compactor Bin building		\$100,000
15-Dec-12 Dispersion		\$600,000
15-Dec-12 Ducting Upgrades		\$700,000
15-Dec-12 Water Filtration & Recycling		\$100,000
15-Dec-12 Monitoring System		\$400,000
	<b>\$2,680,000</b>	<b>\$4,080,000</b>

**T12/3316 - REVIEW OF WASTE DISPOSAL OPTIONS (REC) (ATTACHMENT)**

The amended licence issued by the DEC on 7 May 2012 requires the implementation of Alternative 2 above, with an estimated cost of \$4.08 million. This estimated cost may differ over the next few months as the SMRC progress through the detailed design stage and the tender process. The most significant item is the installation of Humidification Vessels and once tenders have been evaluated and the actual cost is known, then this will be a key decision point for the SMRC to decide to commence with the installation or to determine if additional funding will be required.

The SMRC propose to fund the \$4.08 million of capital expenditure by:

1. Additional Borrowings of \$3 million, - This will be at no additional cost to RRRC Project Participants as it can be serviced (capital & interest) using the savings from a reduction in the current interest repayments on existing loans. In other words, the SMRC would be increasing borrowings by \$3 Million, however still keeping the combined capital and interest payments at current levels with all debt still scheduled to be retired by 2023. The increased loan amount would be within the \$55m approved loan limit of the SMRC for the RRRC project.
2. Unspent Loans of \$1 million - The unspent loans, originally allocated for the weighbridge relocation, can be used to fund the capital works. This option carries a level of risk as the funds could still be required for the weighbridge relocation.
3. RRRC Reserve Funds balance of \$1.4 million set aside for ongoing scheduled capital upgrades and replacement - This option carries an operational risk if scheduled capital upgrade and plant replacement are not undertaken.
4. Participants cash contributions \$1 M (if unspent loans is not approved).

A "Notice" for the use of funds in Reserve and unspent loans for another purpose was advertised by the SMRC on 12 April 2012 as required under the Local Government Act 1995.

The SMRC propose at this stage that the capital expenditure required to fund the upgrades listed in Alternative 2 would not require any additional contributions from the RRRC Project Participants. However this could change depending on the results of the advertising period and the final costs once tenders have been called, received and evaluated.

**STRATEGIC, RISK AND ENVIRONMENTAL MANAGEMENT IMPLICATIONS**

Depending on the course of action taken, the strategic, risk and environmental implications associated with this report could be significant, again not only for the City of Melville, but also the remaining RRRC Project Participants.

It is important to recognise that the SMRC became a Regional Local Government on 30 October 1991, pursuant to the Local Government Act 1960. By virtue of the transitional provisions of the Local Government Act 1995, it is constituted as a Regional Local Government. On 22 April 1998 the constitution was replaced by an Establishment Agreement made between the Participants and approved by the Minister for Local Government.

**T12/3316 - REVIEW OF WASTE DISPOSAL OPTIONS (REC) (ATTACHMENT)**

A Regional Local Government has the same general function of a Local Government, including its legislative and executive functions, except as stated in section 3.66 of the Local Government Act 1995.

The SMRC represents six Local Governments, the Cities of Melville, Cockburn, Fremantle and Rockingham (until 30 June 2012) and the Towns of East Fremantle and Kwinana, and their local communities.

The SMRC is a Statutory Local Government Authority established for developing environmentally sustainable waste management solutions and climate change abatement measures for its members and their communities.

On 1 July 2012 the City of Rockingham will no longer be a member of the SMRC as a result of their withdrawal.

Strategic Implications

Should Council resolve to withdraw from the Project Participants' Agreement for the RRRC Project, this would be inconsistent with the City's Strategic Plan, which has a goal of Environmental Responsibility and a strategy to "Reduce our ecological footprint".

A key performance indicator of the City's Strategic Plan, is the percentage of waste diverted from landfill, which would be impacted should the Council resolve to withdraw.

This commitment to reducing our ecological footprint was reinforced further at the Ordinary Council Meeting of 21 February 2012. The Council resolved to authorise the Mayor to sign the Local Government Climate Change Declaration. The Declaration commits the City from the date of signing to set an appropriate, individual Local Government emissions reduction target and work toward its achievement. It also commits the City to work with State and Federal Government to ensure achievement of greenhouse gas emissions reduction targets as set out in key National and International agreements.

It is clear that should the City begin to dispose of its waste to landfill, then the City would be in contradiction to the objectives of the Strategic Plan and the Local Government Climate Change Declaration.

Risk Management Implications

There are a number of risks that could eventuate should Council resolve to withdraw from the Project Participants' Agreement for the RRRC Project.

There could be serious reputational risk associated with a decision to withdraw, especially when one considers the financial implications contained within this report. This could be further exacerbated when considering the environmental implications detailed below.

Environmental Management Implications

The State Government and the Waste Authority have recently released the revised Waste Strategy for Western Australia, "Creating the Right Environment" and the City and the SMRC are committed to assisting the State Government and the Waste Authority in achieving the targets set within the Strategy.

**T12/3316 - REVIEW OF WASTE DISPOSAL OPTIONS (REC) (ATTACHMENT)**

Previously, the State Government were committed to a vision of “Zero Waste to Landfill” by 2020. However the targets set in the new Waste Strategy appear to be more realistic and achievable.

The revised recovery targets for MSW in the Perth Metropolitan Region are 50% by 2015 and 65% by 2020. This is an increase from the 2010 target of 36%.

However, should Council resolve to withdraw from the Project Participants’ Agreement for the RRRRC Project, then these targets will be significantly more difficult to achieve.

Environmental Benefits

The environmental benefits associated with processing MSW at the RRRRC’s Waste Composting Facility greatly outweigh the environmental issues associated with landfill sites.

Each year the SMRC’s RRRRC diverts more than 60,000 tonnes of waste from landfill and prevents approximately 70,000 tonnes of carbon dioxide from entering the atmosphere, which is equivalent to taking more than 16,000 cars off the road.

The RRRRC’s Waste Composting Facility produces more than 25,000 tonnes of compost each year for use in agriculture and soil improvement programmes.

The SMRC’s current diversion rate from landfill for MSW (including Bulk Verge collections) is currently 63%. This diversion rate currently exceeds the targets set with the State Government’s revised Waste Strategy. It is anticipated that once the Materials Recovery Facility is operational in July 2012, that the diversion rate from landfill will exceed the 2020 target of 65%

Landfill Sites – Advantages and Disadvantages

While it is currently cheaper to dispose of MSW in landfill, there are a number of environmental issues with disposing of waste in landfill sites. Some of the advantages and disadvantages are as follows:

*Advantages*

- They are low cost
- It is a mature technology that can accommodate most waste streams
- Gas can be captured as a resource

*Disadvantages*

- There are environmental risks associated with gas emissions and leachate
- There is poor resource recovery
- Have a long lifetime and legacy emission issues
- High land consumption
- Limited site availability (especially on the Swan Coastal Plan)

**T12/3316 - REVIEW OF WASTE DISPOSAL OPTIONS (REC) (ATTACHMENT)**

It is important to note that the ongoing management of legacy issues has a significant financial impost on operators of landfill sites. The financial implications to the City for the 2012/13 financial year are estimated at \$255,000 as a result of the requirement from the Department of Environment and Conservation to monitor contamination levels from former landfill sites.

This financial burden is expected to continue into the future as the City continues to monitor the following sites:

- Troy Park
- Tompkins Park
- John Connell Reserve
- John Creaney Reserve

It is clear that should Council resolve to withdraw from Project Participants' Agreement for the RRRC Project and dispose of its MSW in landfill sites, there will be a significant increase in the City's ecological footprint and this decision would have a detrimental impact on the natural environment, the remaining Project Participants and the State Government's revised Waste Strategy targets.

**POLICY IMPLICATIONS**

Should Council resolve to withdraw from the Project Participants' Agreement for the RRRC Project, then this would be inconsistent with the following Council Policies:

[3316 CP 030 Environmental Policy and 3316 CP 036 Waste Minimisation Policy](#) that form part of the Attachments to this Item.

These Council Policies clearly articulate Council's position with regard to minimising waste and protecting and enhancing the natural environment.

**ALTERNATE OPTIONS & THEIR IMPLICATIONS**

Based on the information contained in this report, the Council has only two options available, to either remain committed to the SMRC and the RRRC Project and continue to treat the City's waste in an environmentally sustainable manner, or withdraw from the Project Participants' Agreement for the RRRC Project. The Council does not have the ability to simply dispose of its MSW at an alternative facility without breaching this agreement.

As stated previously within this report the implications not only to the City of Melville, but for all Project Participants, are considerable should the Council resolve to withdraw.

**CONCLUSION**

The Council has only two options available, to either remain committed to the SMRC and the RRRC Project and continue to treat its waste in an environmentally sustainable manner, or withdraw from the Project Participants' Agreement for the RRRC Project.

**T12/3316 - REVIEW OF WASTE DISPOSAL OPTIONS (REC) (ATTACHMENT)**

It is clear that any resolution to withdraw from the Project Participants' Agreement for the RRRC Project could have a significant impact on both the City and the remaining RRRC Project Participants. The withdrawal of the City could potentially result in the demise of the SMRC as the remaining Project Participants would not be in a position to fund the deficit as a result of the City's withdrawal.

From a financial perspective, the total outstanding loan borrowings are extremely significant at \$49.73 million. The City's liability as at 30 June 2011 is \$16.68 million and could increase further depending on the total wind up costs should the City's withdrawal result in the remaining Project Participants resolving to wind up the Project.

There are significant environmental implications that could result in an additional 85,000 tonnes of MSW being disposed of in landfill sites should the project be wound up.

It is clearly evident that any decision to withdraw from the Project Participants' Agreement for the RRRC Project would be in contradiction to the City's Strategic Plan, the Environmental Policy, and the Waste Minimisation Policy.

**OFFICER RECOMMENDATION (3316)****APPROVAL**

At 8.28pm Cr Robartson moved, seconded Cr Macphail -

**That the Council:**

- 1. Remains a Project Participant of the Southern Metropolitan Regional Council's Regional Resource Recovery Centre Project.**
- 2. Remains a member of the Southern Metropolitan Regional Council.**

Amendment

At 8.29pm Cr Nicholson moved, seconded Cr Pazolli -

***That the Council recommit the report on the Review of Waste Disposal Options to be discussed further at an Elected Members Information Session.***

At 8.40pm the Mayor submitted the motion, which was declared

**LOST (4/7)**

**Cr Pazolli requested that the votes be recorded –**

**For: Cr Hill, Cr Nicholson, Cr Pazolli, Cr Taylor-Rees**  
**Against: Mayor R Aubrey, Cr Foxton, Cr Kinnell, Cr Macphail, Cr Reidy, Cr Reynolds, Cr Robartson**

**T12/3316 - REVIEW OF WASTE DISPOSAL OPTIONS (REC) (ATTACHMENT)****OFFICER RECOMMENDATION & COUNCIL RESOLUTION (3316)****APPROVAL**

At 8.55pm the Mayor submitted the Officer Recommendation –

**That the Council:**

- 1. Remains a Project Participant of the Southern Metropolitan Regional Council's Regional Resource Recovery Centre Project.**
- 2. Remains a member of the Southern Metropolitan Regional Council.**

At 8.55pm the Mayor declared the motion

**CARRIED (8/3)**

**Cr Pazolli requested that the votes be recorded –**

**For: Mayor R Aubrey, Cr Foxton, Cr Hill, Cr Kinnell, Cr Macphail, Cr Reidy,  
Cr Reynolds, Cr Robartson**  
**Against: Cr Nicholson, Cr Pazolli, Cr Taylor-Rees**

**C12/5000 – COMMON SEAL REGISTER (REC)**

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

**AUTHORITY / DISCRETION**

**DEFINITION**

<input type="checkbox"/>	Advocacy	<i>When the Council advocates on its own behalf or on behalf of its community to another level of government/body/agency.</i>
<input checked="" type="checkbox"/>	<b>Executive</b>	<b><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></b>
<input type="checkbox"/>	Legislative	<i>Includes adopting local laws, town planning schemes &amp; policies.</i>
<input type="checkbox"/>	Review	<i>When the Council reviews decisions made by Officers.</i>
<input type="checkbox"/>	Quasi-Judicial	<i>When the Council determines an application/matter that directly affects a person's right and interests. The judicial character arises from the obligation to abide by the principles of natural justice. Examples of Quasi-Judicial authority include town planning applications, building licences, applications for other permits/licences (eg under Health Act, Dog Act or Local Laws) and other decisions that may be appealable to the State Administrative Tribunal.</i>

**KEY ISSUES / SUMMARY**

This report details the documents to which the City of Melville Common Seal has been applied for the period from 20 April 2012 up to and including 24 May 2012 and recommends that the information be noted.

**C12/5000 – COMMON SEAL REGISTER (REC)**

**BACKGROUND**

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

**DETAIL**

<b>Register Reference</b>	<b>Party</b>	<b>Description</b>	<b>File Reference</b>
615	City of Melville and City of Melville Social Club	Management Licence for the City of Melville Social Club at Civic Centre	2601671
616	City of Melville and City of Melville Social Club	Management Licence for the City of Melville Social Club at Operations Centre	2601681
661	City of Melville and Melville Cares	Management Licence for Melville Cares	2678344

**PUBLIC CONSULTATION/COMMUNICATION**

Not applicable.

**CONSULTATION WITH OTHER AGENCIES / CONSULTANTS**

Not applicable.

**C12/5000 – COMMON SEAL REGISTER (REC)****STATUTORY AND LEGAL IMPLICATIONS**

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

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

Section 94(3) of the Local Government Act 1995:

(3) *The common seal of the local government is to be affixed to a document in the presence of —*

(a) *the mayor or president; and*

(b) *the chief executive officer or a senior employee authorised by the chief executive officer,*

*each of whom is to sign the document to attest that the common seal was so affixed.*

**FINANCIAL IMPLICATIONS**

Not applicable.

**STRATEGIC, RISK AND ENVIRONMENTAL MANAGEMENT IMPLICATIONS**

Not applicable.

**POLICY IMPLICATIONS**

Not applicable.

**ALTERNATE OPTIONS AND THEIR IMPLICATIONS**

Not applicable.

**CONCLUSION**

This is a standard report for Elected Members information.

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

**That the action of His Worship the Mayor and the Chief Executive Officer in executing the documents listed under the Common Seal of the City of Melville from 20 April 2012 up to and including 24 May 2012, be noted.**

At 8.56pm the Mayor submitted the motion, which was declared

**CARRIED EN BLOC (11/0)**

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

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

**AUTHORITY / DISCRETION**

**DEFINITION**

<input type="checkbox"/>	Advocacy	<i>When the Council advocates on its own behalf or on behalf of its community to another level of government/body/agency.</i>
<input checked="" type="checkbox"/>	<b>Executive</b>	<b><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></b>
<input type="checkbox"/>	Legislative	<i>Includes adopting local laws, town planning schemes &amp; policies.</i>
<input type="checkbox"/>	Review	<i>When the Council reviews decisions made by Officers.</i>
<input type="checkbox"/>	Quasi-Judicial	<i>When the Council determines an application/matter that directly affects a person's right and interests. The judicial character arises from the obligation to abide by the principles of natural justice. Examples of Quasi-Judicial authority include town planning applications, building licences, applications for other permits/licences (eg under Health Act, Dog Act or Local Laws) and other decisions that may be appealable to the State Administrative Tribunal.</i>

**KEY ISSUES / SUMMARY**

- This report presents the investment statements for the month of April 2012 and recommends that the information detailed in the report be noted.
- There were no credit events in April 2012 that effected the City's Collateralised Debt Obligation (CDO) investments.
- Monthly valuations for Authorised Deposit Taking Institutions (ADIs) and CDOs shown for April are based on valuations obtained from CPG Research and Advisory as at 30 April 2012. When compared to the valuations used as at 30 June 2011:
  - ADIs have increased in value by \$38,485.
  - CDOs have increased in value by \$3,501,231.

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

**BACKGROUND**

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

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

**DETAIL**

Summary details of investments held as at 30 April 2012 are shown in the tables below.

**CITY OF MELVILLE  
STATEMENT OF INVESTMENTS  
FOR THE PERIOD ENDING 30 APRIL 2012**

<b>SUMMARY BY FUND</b>	<b>PURCHASE PRICE</b> \$	<b>MANAGEMENT VALUE AT 30/06/2011</b> \$	<b>ESTIMATED CURRENT MARKET VALUE</b> \$	<b>BOOK PROFIT/(LOSS)</b> \$	<b>BOOK PROFIT/(LOSS) %</b>
MUNICIPAL	\$ 45,316,891	\$ 45,316,891	\$ 45,316,891	\$ -	0.00%
RESERVE	\$ 49,550,621	\$ 35,272,887	\$ 38,812,602	\$ 3,539,716	7.14%
TRUST	\$ 505,818	\$ 505,818	\$ 505,818	\$ -	0.00%
CRF	\$ 183,184	\$ 183,184	\$ 183,184	\$ -	0.00%
	<b>\$ 95,556,514</b>	<b>\$ 81,278,779</b>	<b>\$ 84,818,495</b>	<b>\$ 3,539,716</b>	<b>3.70%</b>

<b>SUMMARY BY INVESTMENT TYPE</b>	<b>PURCHASE PRICE</b> \$	<b>MANAGEMENT VALUE AT 30/06/2011</b> \$	<b>ESTIMATED CURRENT MARKET VALUE</b> \$	<b>BOOK PROFIT/(LOSS)</b> \$	<b>BOOK PROFIT/(LOSS) %</b>
ADI	\$ 1,500,000	\$ 1,469,715	\$ 1,508,200	\$ 38,485	2.57%
CDO	\$ 14,920,000	\$ 672,550	\$ 4,173,781	\$ 3,501,231	23.47%
BOND	\$ 4,500,000	\$ 4,500,000	\$ 4,500,000	\$ -	0.00%
FRN	\$ 6,000,000	\$ 6,000,000	\$ 6,000,000	\$ -	0.00%
FRTD	\$ 2,500,000	\$ 2,500,000	\$ 2,500,000	\$ -	0.00%
TERM DEPOSIT	\$ 62,969,738	\$ 62,969,738	\$ 62,969,738	\$ -	0.00%
11AM	\$ 2,936,130	\$ 2,936,130	\$ 2,936,130	\$ -	0.00%
UNITS (Local Govt Hse)	\$ 230,645	\$ 230,645	\$ 230,645	\$ -	0.00%
	<b>\$ 95,556,514</b>	<b>\$ 81,278,779</b>	<b>\$ 84,818,495</b>	<b>\$ 3,539,716</b>	<b>3.70%</b>

<b>SUMMARY BY CREDIT RATING</b>	<b>PURCHASE PRICE</b> \$	<b>MANAGEMENT VALUE AT 30/06/2011</b> \$	<b>ESTIMATED CURRENT MARKET VALUE</b> \$	<b>BOOK PROFIT/(LOSS)</b> \$	<b>BOOK PROFIT/(LOSS) %</b>
AA	\$ 5,500,000	\$ 5,500,000	\$ 5,500,000	\$ -	0.00%
AA-	\$ 57,605,869	\$ 57,605,869	\$ 57,605,869	\$ -	0.00%
A+	\$ 7,800,000	\$ 7,800,000	\$ 7,800,000	\$ -	0.00%
A	\$ 4,000,000	\$ 3,969,715	\$ 4,008,200	\$ 38,485	0.96%
A-	\$ 1,500,000	\$ 1,500,000	\$ 1,500,000	\$ -	0.00%
BBB+	\$ 2,000,000	\$ 2,000,000	\$ 2,000,000	\$ -	0.00%
CCC	\$ -	\$ -	\$ -	\$ -	0.00%
CCC-	\$ -	\$ -	\$ -	\$ -	0.00%
NR	\$ 14,920,000	\$ 672,550	\$ 4,173,781	\$ 3,501,231	23.47%
UNITS (Local Govt Hse)	\$ 230,645	\$ 230,645	\$ 230,645	\$ -	0.00%
	<b>\$ 95,556,514</b>	<b>\$ 81,278,779</b>	<b>\$ 84,818,495</b>	<b>\$ 3,539,716</b>	<b>3.70%</b>

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

The following statements detail the investments held by the City. Marketable investments are shown at their estimated market value.

STATEMENT OF INVESTMENTS FOR THE PERIOD ENDING 30 APRIL 2012									
INSTITUTION / INVESTMENT	RISK of IMPAIRMENT	INVESTMENT TYPE	Current Interest Rate %	S & P RATING	FACE VALUE \$	BOOK VALUE AT 30/6/2011 \$	CURRENT EST MARKET VALUE \$	INVESTMENT GAIN / (LOSS) SINCE 30/6/10 \$	MATURITY DATE
BANKWEST (11AM)		11AM	4.25%	AA-	\$1,428,363	\$1,428,363	\$1,428,363	\$0	On call
WESTPAC (MAXI DIRECT)		11AM	4.80%	AA-	\$700,000	\$700,000	\$700,000	\$0	On call
WESTPAC (MAXI BONUS 1)		11AM	5.20%	AA-	\$2,560	\$2,560	\$2,560	\$0	On call
WESTPAC (MAXI BONUS 2)		11AM	5.20%	AA-	\$805,207	\$805,207	\$805,207	\$0	On call
					<b>\$2,936,130</b>	<b>\$2,936,130</b>	<b>\$2,936,130</b>	<b>\$0</b>	
ANZ BANK (TERM)		TERM	6.00%	AA-	\$2,400,000	\$2,400,000	\$2,400,000	\$0	Various
AMP BANK LTD (TERM)		TERM	5.80%	AA-	\$1,000,000	\$1,000,000	\$1,000,000	\$0	Various
BANKWEST (TERM)		TERM	Various	AA-	\$11,369,738	\$11,369,738	\$11,369,738	\$0	Various
BENDIGO AND ADELAIDE BANK (TERM)		TERM	5.75%	A-	\$1,500,000	\$1,500,000	\$1,500,000	\$0	7-May-12
COMMONWEALTH BANK (TERM)		TERM	5.05%	AA-	\$3,000,000	\$3,000,000	\$3,000,000	\$0	5-Jun-12
MACQUARIE BANK (TERM)		TERM	5.40%	A	\$1,000,000	\$1,000,000	\$1,000,000	\$0	21-May-12
NAB (TERM)		TERM	Various	AA-	\$9,300,000	\$9,300,000	\$9,300,000	\$0	Various
RABODIRECT (TERM)		TERM	5.60%	AA	\$1,500,000	\$1,500,000	\$1,500,000	\$0	21-May-12
ST GEORGE BANK (TERM)		TERM	Various	AA-	\$13,800,000	\$13,800,000	\$13,800,000	\$0	Various
SUNGCORP METWAY LTD (TERM)		TERM	Various	A+	\$7,800,000	\$7,800,000	\$7,800,000	\$0	Various
WESTPAC (TERM)		TERM	Various	AA-	\$10,300,000	\$10,300,000	\$10,300,000	\$0	Various
					<b>\$62,969,738</b>	<b>\$62,969,738</b>	<b>\$62,969,738</b>	<b>\$0</b>	
BANK OF QUEENSLAND (FLOAT RATE TD)		FRTD	5.84%	BBB+	\$2,000,000	\$2,000,000	\$2,000,000	\$0	30-Sep-13
ING BANK		FRTD	5.66%	A	\$500,000	\$500,000	\$500,000	\$0	6-Sep-12
					<b>\$2,500,000</b>	<b>\$2,500,000</b>	<b>\$2,500,000</b>	<b>\$0</b>	
COMMONWEALTH BANK (COVERED BOND)		BOND	5.88%	AAA	\$2,000,000	\$2,000,000	\$2,000,000	\$0	25-Jan-17
COMMONWEALTH BANK (RETAIL BOND)		BOND	5.44%	AA	\$2,000,000	\$2,000,000	\$2,000,000	\$0	20-Dec-15
WESTPAC (COVERED BOND)		BOND	5.94%	AA-	\$500,000	\$500,000	\$500,000	\$0	6-Feb-17
COMMONWEALTH BANK (FRN)		FRN	5.48%	AA	\$2,000,000	\$2,000,000	\$2,000,000	\$0	2-Aug-16
NAB (FRN)		FRN	5.39%	AA-	\$2,000,000	\$2,000,000	\$2,000,000	\$0	16-Sep-14
NAB (FRN)		FRN	5.60%	AA-	\$2,000,000	\$2,000,000	\$2,000,000	\$0	21-Jun-16
					<b>\$10,500,000</b>	<b>\$10,500,000</b>	<b>\$10,500,000</b>	<b>\$0</b>	
MACQUARIE BANK	Very Low	ADI	4.95%	A	\$1,500,000	\$1,469,715	\$1,508,200	\$38,485	31-May-12
APHEX (GLENELG)	High	CDO	6.14%	NR	\$2,000,000	\$122,833	\$433,640	\$310,807	22-Dec-14
BERYL FINANCE GLOBAL BANK NOTE	Early Term.	CDO	0.00%	NR	\$2,000,000	\$1	\$1,180,000	\$1,179,999	20-Sep-14
BERYL FINANCE GLOBAL BANK NOTE 2	Early Term.	CDO	0.00%	NR	\$450,000	\$1	\$265,500	\$265,499	20-Sep-14
CORSAIR (CAYMAN) KAKADU	High	CDO	5.83%	NR	\$1,500,000	\$75,255	\$244,965	\$169,710	20-Mar-14
CORSAIR (CAYMAN) TORQUAY	Very High	CDO	6.03%	NR	\$1,885,000	\$22,493	\$199	-\$22,294	20-Mar-13
HELIUM CAPITAL (ESPERANCE)	High	CDO	6.13%	NR	\$1,800,000	\$347,317	\$376,758	\$29,441	20-Mar-13
MANAGED ACES CLASS 11A PARKES	Very High	CDO	7.73%	NR	\$1,000,000	\$2,934	\$675	-\$2,259	20-Jun-15
MANAGED ACES CLASS 1A PARKES	High	CDO	6.06%	NR	\$1,050,000	\$10,269	\$24,791	\$14,522	20-Jun-15
OMEGA CAPITAL CLASS A HENLEY	Moderate	CDO	5.27%	NR	\$385,000	\$80,689	\$383,753	\$303,064	22-Jun-12
ZIRCON FINANCE COOLANGATTA	Early Term.	CDO	0.00%	NR	\$1,500,000	\$9,095	\$690,000	\$680,905	20-Sep-14
ZIRCON FINANCE MERIBULA	Early Term.	CDO	0.00%	NR	\$500,000	\$1,663	\$225,000	\$223,337	20-Jun-13
ZIRCON FINANCE MIAMI	Early Term.	CDO	0.00%	NR	\$850,000	\$1	\$348,500	\$348,499	20-Mar-17
					<b>\$16,420,000</b>	<b>\$2,142,265</b>	<b>\$5,681,981</b>	<b>\$3,539,716</b>	
UNITS IN LOCAL GOVT HOUSE		UNITS	0.00%		\$230,645	\$230,645	\$230,645	\$0	
<b>TOTAL FUNDS INVESTED</b>					<b>\$95,556,514</b>	<b>\$81,278,779</b>	<b>\$84,818,495</b>	<b>\$3,539,716</b>	

**CREDIT RISK COMPARISON**

CREDIT RISK	PURCHASE PRICE \$	CURRENT ESTIMATED MARKET VALUE	ACTUAL PROPORTION	MAX. % AMOUNT IN TOTAL PORTFOLIO	Comments
AA	\$5,500,000	\$5,500,000	6%	80%	
AA-	\$58,605,869	\$58,605,869	69%	80%	
A+	\$7,800,000	\$7,800,000	9%	50%	
A	\$3,000,000	\$3,008,200	4%	50%	
A-	\$1,500,000	\$1,500,000	2%	50%	
BBB+	\$2,000,000	\$2,000,000	2%	20%	
NR	\$14,920,000	\$4,173,781	5%		Purchased Prior To Policy Change
UNITS IN LOCAL GOVT. HOUSE	\$230,645	\$230,645	0%	0.1%	Council Decision
<b>TOTAL</b>	<b>95,556,514</b>	<b>84,818,495</b>	<b>100%</b>		

**C12/6000 - INVESTMENT STATEMENTS (REC)**
**DIVERSIFICATION RISK**

INSTITUTION	INVESTMENT TYPE	S & P RATING	CURRENT ESTIMATED MARKET VALUE	ACTUAL PROPORTION	INSTITUTION PROPORTION	MAX. % WITH ANY ONE INSTITUTION	Comments
AMP BANK LTD (TERM)	TERM	AA-	1,000,000	1.18%	1.18%	20%	
ANZ BANK (TERM)	TERM	AA-	2,400,000	2.83%	2.83%	20%	
BANKWEST (11AM)	11AM	AA-	1,428,363	1.68%		20%	
BANKWEST (TERM)	TERM	AA-	11,369,738	13.40%	15.09%	20%	
BANK OF QUEENSLAND (FLOAT RATE TD)	FRTD	BBB+	2,000,000	2.36%	2.36%	10%	
BENDIGO AND ADELAIDE BANK (TERM)	TERM	A-	1,500,000	1.77%	1.77%	15%	
COMMONWEALTH BANK (TERM)	TERM	AA-	3,000,000	3.54%		20%	
COMMONWEALTH BANK (COVERED BOND)	BOND	AAA	2,000,000	2.36%		20%	
COMMONWEALTH BANK (RETAIL BOND)	BOND	AA	2,000,000	2.36%		20%	
COMMONWEALTH BANK (FRN)	FRN	AA	2,000,000	2.36%	10.61%	20%	
ING BANK	FRTD	A	500,000	0.59%	0.59%	15%	
MACQUARIE BANK	ADI	A	1,508,200	1.78%		15%	
MACQUARIE BANK (TERM)	TERM	A	1,000,000	1.18%	2.96%	15%	
NAB (FRN)	FRN	AA-	4,000,000	4.72%		20%	
NAB (TERM)	TERM	AA-	9,300,000	10.96%	15.68%	20%	
RABODIRECT (TERM)	TERM	AA	1,500,000	1.77%	1.77%	15%	
ST GEORGE BANK (TERM)	TERM	AA-	13,800,000	16.27%	16.27%	20%	
SUNCORP METWAY LTD (TERM)	TERM	A+	7,800,000	9.20%	9.20%	15%	
WESTPAC (MAXI BONUS 1)	11AM	AA-	2,560	0.00%		20%	
WESTPAC (MAXI BONUS 2)	11AM	AA-	805,207	0.95%		20%	
WESTPAC (MAXI DIRECT)	11AM	AA-	700,000	0.83%		20%	
WESTPAC (TERM)	TERM	AA-	10,300,000	12.14%		20%	
WESTPAC (COVERED BOND)	BOND	AA-	500,000	0.59%		20%	
WESTPAC BANK	ADI	AA-	-	0.00%	14.51%	20%	
ADELAIDE BANK	ADI	A-	-	0.00%	0.00%	10%	
CDO - Various	CDO		4,173,781	4.92%	4.92%		Purchased Prior To Policy Change
UNITS IN LOCAL GOVT HOUSE	UNITS		230,645	0.27%	0.27%		
			<b>84,818,495</b>	<b>100%</b>	<b>100%</b>		

**MATURITY COMPARISON**

TERM to MATURITY	CURRENT ESTIMATED MARKET VALUE	ACTUAL PROPORTION	MAX. % IN ANY ONE YEAR	Comments
MUNICIPAL & TRUST FUNDS				
< 1 year	45,592,064	100%	100%	
	<b>45,592,064</b>	<b>100%</b>		
RESERVE FUNDS				
< 1 year	21,391,132	55%	100%	
< 2 years	2,470,164	6%	80%	
< 3 years	4,569,140	12%	80%	
< 4 years	2,025,466	5%	40%	
< 5 years	6,848,500	18%	40%	
> 5 years	1,508,200	4%	20%	Purchased Prior To Policy Change
	<b>38,812,602</b>	<b>100%</b>		

The values ascribed to ADIs by the City's independent financial advisers are based on current market evidence. Positive improvements in the market since 30 June 2011 are evident by an increase in market valuations. These valuations assume that the City will be required to sell these investments prior to maturity. The City is however a holder to maturity of these investments as there is no need to sell ADIs. There is therefore no reason to expect that any losses will be incurred. Recent repurchases by the issuing banks at their full value supports this view.

Since 30 June 2009, \$16,000,000 worth of ADIs have been repurchased by the issuing banks. These had been written down in previous financial years, to a book value of \$15,734,660. A book profit of \$265,340 has therefore been realised. The City expects that the remaining Macquarie Bank ADI will be repurchased by the issuing bank as it reaches its call date of 31 May 2012.

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

Monthly valuations for ADIs and CDOs shown for April are based on valuations obtained from CPG Research and Advisory (CPG) as at 30 April 2012. When compared to the valuations used as at 30 June 2011, valuations obtained from CPG as at 30 April 2012 show that:

- ADIs have increased in value by \$38,485.
- CDOs have increased in value by \$3,501,231.

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

Lehman Brothers arranged CDOs have experienced an increase, as heightened investor expectations of a favourable ruling in the courts grows, which would result in an early termination and the City gaining access to the collateral representing the City's original investments which are held by the Trustees. This is still under legal proceedings and the City, in conjunction with CPG, will monitor and report on the developments.

Some of the non Lehman Brothers arranged CDOs continue to pay coupon payments based on the full amount invested whilst those CDO's that have suffered an erosion of credit support and therefore underlying principal pay interest at a reduced rate depending on the extent of the principal loss experienced. Based on previous independent advice from a number of sources the City's policy has been to continue to hold these investments to maturity unless opportunities to sell at realistic values are presented. No realistic offers have been received to date. The recent repayment of the Ethical Green CDO at 64.9% of its original value and maturity of Magnolia Flinders paying 100% has resulted in significant value being recovered,

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

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

**Credit Ratings and Credit Events**

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

21 credit events impacting the City's CDO investments have now been recorded to date. The Companies involved are PMI Group, AMBAC Financial, Takefuji, AMBAC Assurance, AIFUL, Tribune, Thomson, Financial Guaranty Insurance Company (FGIC), XL Capital Assurance, Bank TuranAlem, Idearc, Federal National Mortgage Association (Fannie Mae), the Federal Home Loan Mortgage Corporation (Freddie Mac), Lehman Brothers, WaMu, Glitnir, Kaupthing, Landsbanki, Chemtura, Abitibi and CIT Group. This has resulted in a loss of \$6.96m to date, as detailed below:

Confirmed Losses:

- The total loss of the Starts Cayman Blue Gum CDO with a face value of \$1.5m.
- The total loss of the Helium Capital Scarborough CDO with a face value of \$1.8m.
- The partial loss of 35.1% (\$0.351m) of the Ethical Limited Green CDO with a face value of \$1.0m.

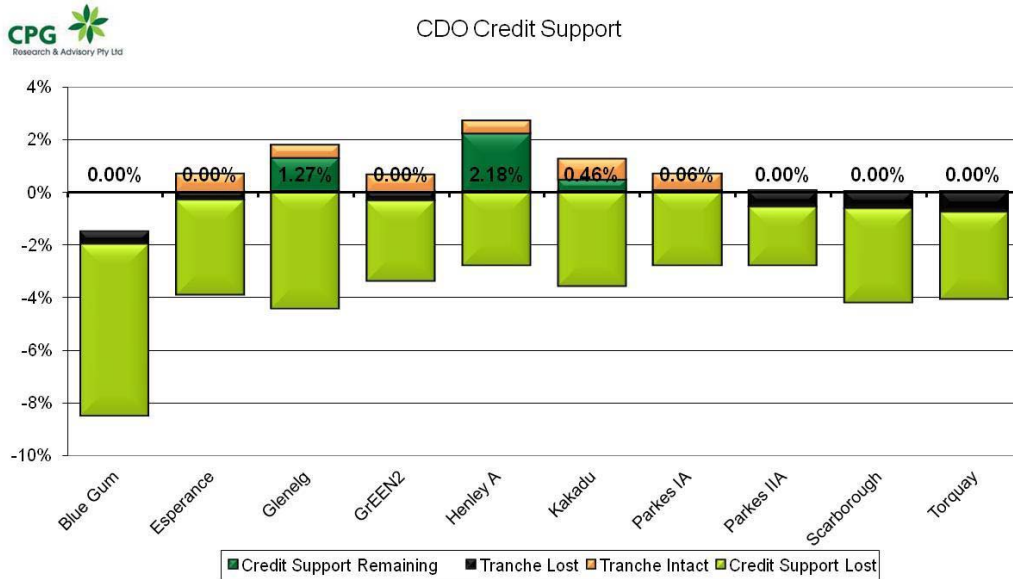
Estimated Losses to date:

- The near total loss of 98.4% (\$1.854m) of the Corsair Cayman Torquay CDO with a face value of \$1.885m.
- The near total loss of 90.5% (\$0.905m) of the Managed Aces Class Parkes IIA CDO with a face value of \$1.0m.
- The partial loss of 30.3% (\$0.545m) of the Helium Capital Esperance CDO with a face value of \$1.8m.

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

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

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



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

<b>CDO Arranger Face Value</b>	<b>No. of Credit Events</b>	<b>Remaining Credit Support before <b>FIRST</b> Loss of Principal</b>	<b>Remaining Credit Support before <b>TOTAL</b> Loss of Principal</b>	<b>Comments</b>
<b>Aphex Glenelg</b> Arranger: Nomura International <b>\$2.0m Matures 22/12/14</b>	<b>7 credit events:</b> Takefuji, AIFUL, Thomson, Lehman's, Landsbanki, CIT Group & PMI Group.	2.0	2.79	
<b>Beryl Finance Global Bank Note</b> Arranger: Lehman Brothers <b>\$2.45m Matures 20/9/14</b>	<b>Nil credit events:</b>	1	N/A	Terminated due to Lehman bankruptcy – In legal dispute re collateral
<b>Corsair Cayman Kakadu</b> Arranger: J.P. Morgan Australia <b>\$1.5m Matures 20/3/14</b>	<b>11 credit events:</b> AMBAC Assurance, AIFUL, XL Capital Assurance, Freddie Mac, Fannie Mae, Lehman's, WaMu, Kaupthing, CIT Group, Anglo Irish Bank & PMI Group	1	1	Very high likelihood of total default.
<b>Corsair Cayman Torquay</b> Arranger: J.P. Morgan Australia <b>\$1.885m Matures 20/6/13</b>	<b>11 credit events:</b> AMBAC Assurance, AIFUL, XL Capital Assurance, Idearc, Freddie Mac, Lehman, WaMu, Glitnir, Kaupthing, CIT Group & PMI Group	-2.0	-2.0	Loss ( <b>98.4%</b> ) of principal has occurred. Very high likelihood of total default.
<b>Ethical Limited Green</b> Arranger: J.P. Morgan Australia <b>\$1.0m Matured 20/3/12</b>	<b>9 credit events:</b> AMBAC Assurance, XL Capital Assurance, Idearc, Lehman's, WaMu, Glitnir, Kaupthing, CIT Group & PMI Group	-0.9	1.75	Partial loss ( <b>35.1%</b> ) of principal has occurred. Balance of CDO was repaid.
<b>Helium Capital Esperance</b> Arranger: Merrill Lynch International <b>\$1.80m Matures 20/3/13</b>	<b>7 credit events:</b> PMI Group, Idearc, Tribune, Thomson, Lehman's, AMBAC Assurance & CIT Group.	-0.5	0.67	Partial loss ( <b>30.3%</b> ) of principal has occurred. Very high likelihood of total default..

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

CDO Arranger Face Value	No. of Credit Events	Remaining Credit Support before <b>FIRST</b> Loss of Principal	Remaining Credit Support before <b>TOTAL</b> Loss of Principal	Comments
<b>Magnolia Flinders</b> Arranger: Credit Suisse First Boston <b>\$2.0m</b> <b>Matured 20/3/12</b>	<b>Nil CDO defaults:</b>	N/A	N/A	Repaid in full upon maturity on 20 March 2012
<b>Managed Aces Class Parkes 1A</b> Arranger: Morgan Stanley <b>\$1.05m Matures 20/6/15</b>	<b>9 credit events:</b> AMBAC Assurance, AIFUL, XL Capital Assurance, Freddie Mac, Fannie Mae, Lehman's, WaMu, CIT Group & PMI Group.	0.2	1.94	High likelihood of total default.
<b>Managed Aces Class Parkes 11A</b> Arranger: Morgan Stanley <b>\$1.0m Matures 20/6/15</b>	<b>9 credit events:</b> AMBAC Assurance, AIFUL, FGIC, XL Capital Assurance, Freddie Mac, Fannie Mae, Lehman's, WaMu & CIT Group.	-1.8	-1.8	Partial loss <b>(90.5%)</b> of principal has occurred. Very high likelihood of total default.
<b>Omega Capital Class A Henley</b> Arranger: BNP Paribas <b>\$0.385m Matures 20/6/12</b>	<b>7 credit events:</b> AMBAC Assurance, Freddie Mac, Fannie Mae, Thomson, Lehman's, CIT Group & PMI Group	3.3	3.44	Maturity imminent on 22 June 2012

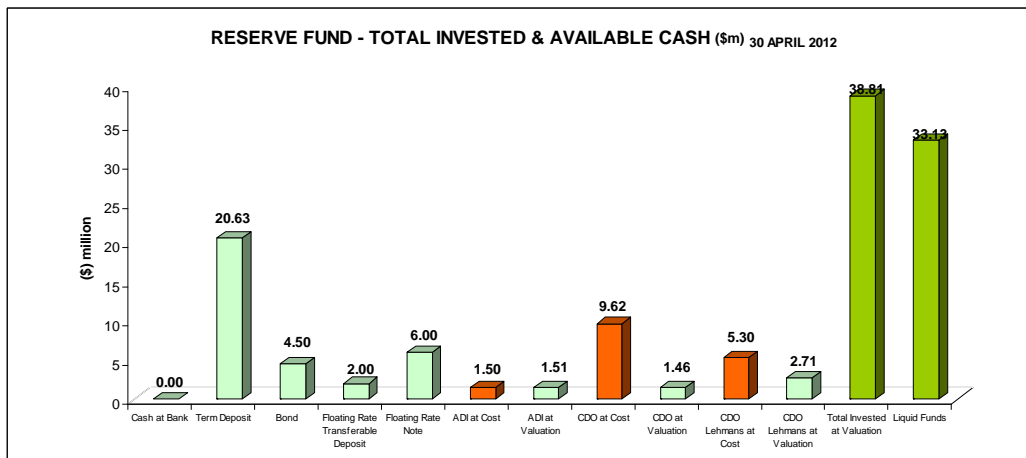
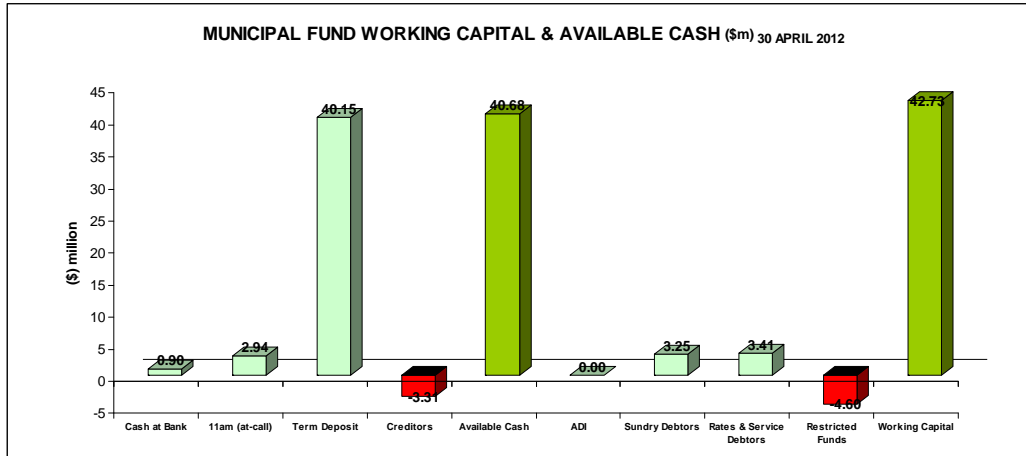
**C12/6000 - INVESTMENT STATEMENTS (REC)**

CDO Arranger Face Value	No. of Credit Events	Remaining Credit Support before <b>FIRST</b> Loss of Principal	Remaining Credit Support before <b>TOTAL</b> Loss of Principal	Comments
<b>Zircon Finance Coolangatta</b> Arranger: Lehman Brothers <b>\$1.50m Matures 20/9/14</b>	<b>8.0 credit events:</b> Ambac Assurance, Aiful, FGIC, Freddie Mac, Fannie Mae, WaMu, Chemtura & Cit Group.	4.7	6.5	
<b>Zircon Finance Merimbula A</b> Arranger: Lehman Brothers <b>\$0.50m Matures 20/6/13</b>	<b>8.0 credit events:</b> Ambac Assurance, Aiful, FGIC, Freddie Mac, Fannie Mae, WaMu, Chemtura & Cit Group.	2.9	3.7	Terminated due to Lehman bankruptcy – In legal dispute re collateral
<b>Zircon Finance Miami</b> Arranger: Lehman Brothers <b>\$0.85m Matures 20/3/17</b>	<b>7.0 credit events:</b> Ambac Assurance, Aiful, Thomson, Freddie Mac, Fannie Mae, Abitibi & CIT Group.	8.4	10.1	

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

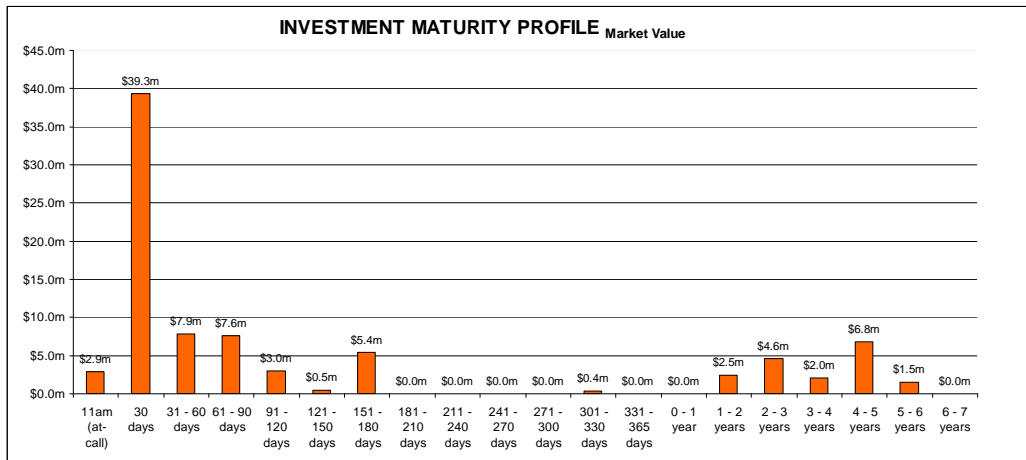
**Net Funds Held**

The graphs below summarise the Municipal Fund working capital and available cash and the funds held in the Reserve Fund at purchase price and last valuation, at 30 April 2012.



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

The graph below summarise the maturity profile of the City's investments at market value as at 30 April 2012.



**PUBLIC CONSULTATION/COMMUNICATION**

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

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

**CONSULTATION WITH OTHER AGENCIES / CONSULTANTS**

City officers are in day to day contact with the City's investment advisors, CPG Research and Advisory.

**STATUTORY AND LEGAL IMPLICATIONS**

The following legislation is relevant to this report:

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

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

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

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

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

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

**FINANCIAL IMPLICATIONS**

For the period ending 30 April 2012, interest earned on:

- Municipal and Trust Funds was \$2,354,317 against a year to date budget of \$1,986,583. This represents a \$367,734 positive variance.
- Reserve Funds was \$2,156,649 against a year to date budget of \$1,366,667. This represents a \$789,982 positive variance.

Investment earnings received in respect to CDO investments since 1 July 2007 has been \$4.868m and \$2.928m in respect to ADIs.

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

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

**STRATEGIC, RISK AND ENVIRONMENTAL MANAGEMENT IMPLICATIONS**

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

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

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

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

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

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

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

**POLICY IMPLICATIONS**

Council Policy CP-009 – Investment of Funds.

The Investment Policy was reviewed and readopted at the Ordinary Meeting of Council held on 15 November 2011.

**ALTERNATE OPTIONS AND THEIR IMPLICATIONS**

Not applicable.

**CONCLUSION**

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

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

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

**That the Investment Report for the month of April 2012 be noted.**

At 8.56pm the Mayor submitted the motion, which was declared

**CARRIED EN BLOC (11/0)**

**C12/6001 – SCHEDULE OF ACCOUNTS FOR APRIL 2012 (REC) (ATTACHMENT)**

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

**AUTHORITY / DISCRETION**

**DEFINITION**

<input type="checkbox"/>	Advocacy	<i>When the Council advocates on its own behalf or on behalf of its community to another level of government/body/agency.</i>
<input checked="" type="checkbox"/>	<b>Executive</b>	<b><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></b>
<input type="checkbox"/>	Legislative	<i>Includes adopting local laws, town planning schemes &amp; policies.</i>
<input type="checkbox"/>	Review	<i>When the Council reviews decisions made by Officers.</i>
<input type="checkbox"/>	Quasi-Judicial	<i>When the Council determines an application/matter that directly affects a person's right and interests. The judicial character arises from the obligation to abide by the principles of natural justice. Examples of Quasi-Judicial authority include town planning applications, building licences, applications for other permits/licences (eg under Health Act, Dog Act or Local Laws) and other decisions that may be appealable to the State Administrative Tribunal.</i>

**C12/6001 – SCHEDULE OF ACCOUNTS FOR APRIL 2012 (REC) (ATTACHMENT)**

**KEY ISSUES / SUMMARY**

This report presents details of the payments made to suppliers for the provision of goods and services for the month of April 2012 and recommends that the Schedule of Accounts be noted.

**BACKGROUND**

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

**DETAIL**

The Schedule of Accounts for the month ending 30 April 2012, [6001 April 2012](#) including Payment Registers numbers Cheques **280 to 282** and Electronic Funds Transfers **237 to 240** were distributed to the Members of Council on 1 June 2012.

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

Supplier Name	Remittance Number	Remittance Details	
Badge Constructions (WA) Pty Ltd	E028641	Variations for Melville Aquatic Fitness Centre Contract C015/10	\$298,899.16
Boral Construction	E028713, E028279 & E028498	Road resurfacing	\$648,202.88
Brajkovich Demolition Pty Ltd	E028773 & E028575	Demolition of Rener Health Building, Former Ardross Child Clinic, Applecross Pre- Primary & Scout Hall	\$54,340.00
CA Technology Pty Ltd	E028593	Computer technology licence fee	\$27,079.80
Carringtons Traffic Services WA	E028688 & E028846	Traffic management	\$28,818.81
City of Cockburn	E028504 & E028715	Tip fees for February 2012	\$64,804.58
Danthonia Designs	Chq 048417	Sign manufactures	\$33,264.00
Dickies Tree Service	E028717, E028506 & E028281	Tree lopping service	\$90,393.60
Digital Mapping Solutions	E028665	Consulting services	\$30,283.00
Downer EDI Works Pty Ltd	E028632	Road resurfacing	\$55,171.60
Dowsing Concrete	E028851, E028691 & E028287	Concrete laying footpaths	\$182,724.69
Fire & Emergency Services Authority WA	E028653	ESL remittance for March 2012	\$1,404,728.60
Flexi Staff	E028738 & E028530	Staff hire	\$73,865.64
Forestvale Trees	E028814	Tree supplier	\$33,616.00
Hays Specialised Recruitment	E028660 & E028818	Staff hire	\$35,588.92

**C12/6001 – SCHEDULE OF ACCOUNTS FOR APRIL 2012 (REC) (ATTACHMENT)**

JMG Air Conditioning & Electrical Services	E028709, E028813 & Chq 04282	Air conditioning services	\$31,906.41
MacDonald Johnston Engineering	E028722 & E028510	Engineering equipment	\$26,919.47
Maxwell Robinson & Phelps	E028790	Chemical spraying	\$51,228.10
Natural Area Management & Services	E028843 & E028682	Progress claim 1 for Point Walter & phosphate treatment	\$90,629.91
Perth Engineering & Maintenance	E028583	Recyclable gate fees February 2012	\$40,211.56
Programmed Maintenance Services	E028529 & E028737	Building maintenance	\$63,507.45
Quayclean Australia Pty Ltd	E028620	Cleaning services	\$74,065.97
Rhysco Electrical Services	E028623 & E028798	Electrical services supplier	\$35,187.90
Robinson Buildtech	E028725 & E028513	Building maintenance	\$47,429.26
Southern Metropolitan Regional Council	E028590	MSW gate fees for February & March 2012	\$678,843.80
Synergy	Chqs 048223 & 048355	Electricity supply	\$300,976.97
Titan Ford	E028755	Two Ford PX Ranger Crew Cabs	\$78,970.05
Western Australia Local Government Associaton	E028594 & E028786	Advertising	\$68,874.46
Western Power	Chq 048222	Electricity supply	\$40,404.37

**PUBLIC CONSULTATION/COMMUNICATION**

Not applicable.

**CONSULTATION WITH OTHER AGENCIES / CONSULTANTS**

Not applicable.

**STATUTORY AND LEGAL IMPLICATIONS**

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

**FINANCIAL IMPLICATIONS**

Expenditures were provided for in the 2011/2012 Budget and Budget Review.

**STRATEGIC, RISK AND ENVIRONMENTAL MANAGEMENT IMPLICATIONS**

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

**C12/6001 – SCHEDULE OF ACCOUNTS FOR APRIL 2012 (REC) (ATTACHMENT)****POLICY IMPLICATIONS**

Not Applicable.

**ALTERNATE OPTIONS AND THEIR IMPLICATIONS**

Not applicable.

**CONCLUSION**

This is a regular monthly report for Elected Members information.

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

**That the Schedule of Accounts for the month ending 30 April 2012, as approved by the Director Corporate Services in accordance with delegated authority DA-035, and detailed in attachment [6001 April 2012](#), be noted.**

At 8.57pm the Mayor submitted the motion, which was declared

**CARRIED EN BLOC (11/0)**

**C12/6002 – FINANCIAL STATEMENTS FOR APRIL 2012 (AMREC) (ATTACHMENTS)**

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

**AUTHORITY / DISCRETION**

**DEFINITION**

<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"/>	<b>Executive</b>	<b><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></b>
<input type="checkbox"/>	Legislative	<i>Includes adopting local laws, town planning schemes &amp; policies.</i>
<input type="checkbox"/>	Review	<i>When the Council reviews decisions made by Officers.</i>
<input type="checkbox"/>	Quasi-Judicial	<i>When the Council determines an application/matter that directly affects a person's right and interests. The judicial character arises from the obligation to abide by the principles of natural justice. Examples of Quasi-Judicial authority include town planning applications, building licences, applications for other permits/licences (eg under Health Act, Dog Act or Local Laws) and other decisions that may be appealable to the State Administrative Tribunal.</i>

**KEY ISSUES / SUMMARY**

- This report presents the Financial Statements for the period ending 30 April 2012 and recommends that they be noted by the Council.
- Money expended in an emergency:
  - As a result of the fire at the Civic Centre, unbudgeted expenditure of \$444,752 has been expended from Municipal funds since the day of the fire, the majority of which will be recovered from the insurance claim.

**C12/6002 – FINANCIAL STATEMENTS FOR APRIL 2012 (AMREC) (ATTACHMENTS)**

**BACKGROUND**

The Financial Statements for the period ending 30 April 2012 have been prepared and tabled in accordance with the Local Government (Financial Management) Regulations 1996 as amended.

**DETAIL**

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

To 30 April 2012, a net operating positive variance of \$4.255m was recorded. A net positive variance of \$5.794m was recorded against capital.

**Variances**

A summary of variances is included below and comments are provided in attachment 6002H\_April\_2012.

CITY OF MELVILLE RATE SETTING STATEMENT FOR THE PERIOD ENDED 30 APRIL 2012								
	April Actual \$	YTD Budget \$	YTD Actual \$	Current Commitments \$	Variance \$	Variance %	Annual Budget \$	Annual Revised Budget \$
<b>Revenues</b>								
General Purpose Funding	384,209	6,775,535	7,108,154	-	332,619	5%	8,068,771	8,328,902
Community Amenities	62,160	16,078,463	16,136,892	-	58,429	0%	15,913,420	16,250,870
Recreation and Culture	603,953	7,239,874	6,873,027	-	(366,848)	-5%	7,897,263	8,664,012
Transport	120,215	4,634,007	4,100,414	(268)	(533,862)	-12%	4,379,770	5,169,843
Other Property and Services	34,138	4,484,625	3,136,935	-	(1,347,690)	-30%	491,281	3,122,406
	1,309,227	44,069,910	42,299,948	(268)	(1,770,230)	-4%	41,010,932	46,692,075
<b>Expenses</b>								
Governance	(964,450)	(14,657,084)	(12,919,671)	(649,147)	1,088,266	-12%	(15,632,267)	(17,171,032)
General Purpose Funding	(23,652)	(2,874,203)	(1,194,003)	(73,922)	1,606,278	-6%	(2,903,840)	(3,003,840)
Education & Welfare	(396,251)	(4,516,008)	(4,151,291)	(85,440)	279,277	-8%	(5,460,056)	(5,439,694)
Community Amenities	(1,532,838)	(15,516,470)	(13,461,446)	(210,995)	1,844,029	-13%	(18,233,961)	(18,944,691)
Recreation and Culture	(1,977,883)	(21,443,167)	(19,815,250)	(965,172)	662,745	-8%	(25,508,929)	(25,796,681)
Transport	(944,966)	(8,575,368)	(7,570,078)	(874,948)	130,342	-12%	(10,060,564)	(10,161,989)
Other Property and Services	(256,839)	(3,034,146)	(3,036,707)	(84,959)	(87,520)	0%	(3,109,231)	(3,348,012)
	(6,434,429)	(74,482,765)	(65,668,593)	(2,989,235)	5,824,937	-12%	(85,495,791)	(88,516,409)

**Revenue**

\$51.73m in Rates has been raised to 30 April 2012. This is compared with a year to date budget of \$51.76m, resulting in a slight negative variance of \$31,843.

**Money Expended in an Emergency**

As a result of the fire at the Civic Centre, unbudgeted expenditure of \$444,752 has been expended from the City's Municipal funds since the day of the fire. It is anticipated that the costs incurred, less the City's \$10,000 insurance excess and any betterment, will be recouped from our insurers in the 2011/12 financial year. Officers will continue to report to Council on the progress of expenditures.

Some of the major expenditure items include:

- Fire damage repairs to date : \$351K
- Purchase of a new scanner/printer : \$94K

The reinstatement works were completed in January 2012.

**C12/6002 – FINANCIAL STATEMENTS FOR APRIL 2012 (AMREC) (ATTACHMENTS)**

**Budget Amendments**

Details of Budget Amendments requested during the month of April 2012 are shown in attachment [6002J April 2012](#). Some of these amendments have been carried out to reflect the appropriate responsible officers, correction of account numbers and the creation of budgets for new grant funding.

**Rates Collections and Debtors**

Details of Rates and Sundry Debtors are shown in attachments 6002L, 6002M and 6002N.

Rates, Refuse & Fire and Emergency Service Authority payments totaling \$755,927, were collected over the course of the month. Rate collection progress for the month of April was 0.2% below target. 95.8% of 2011/12 rates has been collected as at 30 April 2012, which compares favourably to the 95.5% collected at the same time last year.

The total sundry debtors balance decreased by \$4,790 over the course of the month. The 90+ day's debtor balance decreased by \$271.

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

<b>DESCRIPTION</b>	<b>LINK</b>
Statement of Financial Activity – April 2012	<a href="#">6002A April 2012</a>
Operating Statements by Program – April 2012	<a href="#">6002B April 2012</a>
Representation of Working Capital – April 2012	<a href="#">6002E April 2012</a>
Reconciliation of Net Working Capital – April 2012	<a href="#">6002F April 2012</a>
Notes on Operating Statements reporting on variances of 10% or greater – April 2012	<a href="#">6002H April 2012</a>
Summary of Rates Debtors – April 2012	<a href="#">6002L April 2012</a>
Graph Showing Rates Collections – April 2012	<a href="#">6002M April 2012</a>
Summary of General Debtors aged 90 Days Old or Greater – April 2012	<a href="#">6002N April 2012</a>
Detail of Debts Written Off for the Month – April 2012	Not Applicable

**C12/6002 – FINANCIAL STATEMENTS FOR APRIL 2012 (AMREC) (ATTACHMENTS)****Granting of concession or writing off debts owed to the Council**

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

No debts were written off during the month of April 2012.

**PUBLIC CONSULTATION/COMMUNICATION**

Not applicable.

**CONSULTATION WITH OTHER AGENCIES / CONSULTANTS**

Not applicable.

**STATUTORY AND LEGAL IMPLICATIONS**

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

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

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

**C12/6002 – FINANCIAL STATEMENTS FOR APRIL 2012 (AMREC) (ATTACHMENTS)**

- (3) *The information in a statement of financial activity may be shown-*
- (a) *according to nature and type classification;*
  - (b) *by program; or*
  - (c) *by business unit.*
- (4) *A statement of financial activity, and the accompanying documents referred to in sub-regulation (2), are to be-*
- (a) *presented to the Council-*
    - (i) *at the next ordinary meeting of Council following the end of the month to which the statement relates; or*
    - (ii) *if the statement is not prepared in time to present it to the meeting referred to in subparagraph (i), to the next ordinary meeting of Council after that meeting; and*
  - (b) *recorded in the minutes of the meeting at which it is presented.*
- (5) *Each financial year, a local government is to adopt a percentage or value, calculated in accordance with AAS 5, to be used in statements of financial activity for reporting material variances.*

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

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

**FINANCIAL IMPLICATIONS**

Variances are dealt with in attachment 6002H (Notes on Operating Statements reporting on variances of 10% or greater).

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

**C12/6002 – FINANCIAL STATEMENTS FOR APRIL 2012 (AMREC) (ATTACHMENTS)**

**CONCLUSION**

The attached reports reflect a positive financial position of the City of Melville as at 30 April 2012.

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

**APPROVAL**

At 9.01pm Cr Reidy moved, seconded Cr Kinnell -

- 1. That the Statements of Financial Activity and the Operating Statements for the financial year to date ending 30 April 2012 as detailed in the following attachments be noted:**

<b>DESCRIPTION</b>	<b>LINK</b>
Statement of Financial Activity – April 2012	<a href="#">6002A April 2012</a>
Operating Statements by Program – April 2012	<a href="#">6002B April 2012</a>
Representation of Working Capital – April 2012	<a href="#">6002E April 2012</a>
Reconciliation of Net Working Capital – April 2012	<a href="#">6002F April 2012</a>
Notes on Operating Statements reporting on variances of 10% or greater – April 2012	<a href="#">6002H April 2012</a>
Summary of Rates Debtors – April 2012	<a href="#">6002L April 2012</a>
Graph Showing Rates Collections – April 2012	<a href="#">6002M April 2012</a>
Summary of General Debtors aged 90 Days Old or Greater – April 2012	<a href="#">6002N April 2012</a>
Detail of Debts Written Off for the Month – April 2012	Not Applicable

- 2. That by Absolute Majority Decision the budget amendments, as listed in the Budget Amendment Reports for April 2012, as detailed in attachment [6002J April 2012](#), be adopted.**

At 9.01pm Cr Robartson left the meeting

At 9.02pm the Mayor submitted the motion, which was declared

**CARRIED BY ABSOLUTE MAJORITY (10/0)**

At 9.03pm Cr Pazolli left the meeting.

At 9.04pm Cr Robartson and Cr Pazolli returned to the meeting.

**15. MOTIONS OF WHICH PREVIOUS NOTICE HAS BEEN GIVEN**

Nil.

**16. EN BLOC ITEMS**

At 9.04pm Cr Reidy moved, seconded Cr Robartson -

**That the recommendations for items M12/5231, M12/5232, T12/3312, C12/5000, C12/6000 and C12/6001 be carried En Bloc.**

At 9.04pm the Mayor submitted the motion, which was declared **CARRIED (11/0)**

At 9.04pm the meeting reverted to Item T12/3311 – Joiner Street Path Petition

At 9.15pm the meeting returned to the normal order of the Agenda.

**17. MOTIONS WITHOUT NOTICE BY ABSOLUTE MAJORITY OF THE COUNCIL**

Nil.

**18. IDENTIFICATION OF MATTERS FOR WHICH MEETING MAY BE CLOSED**

At 9.17 pm Cr Reidy moved, seconded Cr Kinnell -

**That the meeting be closed to the public to permit discussion on confidential matters – Item P12/3314 which relates to the Draft Murdoch Specialised Activity Centre Structure Plan and Item T12/3317 – City of Canning – Withdrawal from Southern Metropolitan Regional Council covered under Section 5.23 (2) (c) relating to a contract entered into or which may be entered into by the local government.**

At 9.17pm the Mayor submitted the motion, which was declared

**CARRIED (11/0)**

At 9.19pm Cr Nicholson left the meeting

**P12/3314 – CONFIDENTIAL ITEM - DRAFT MURDOCH SPECIALISED ACTIVITY CENTRE STRUCTURE PLAN**Disclosure of Interest

Item No.	P12/3314
Elected Member/Officer	Mayor R Aubrey
Type of Interest	Interest under Code of Conduct
Nature of Interest	Live in Leeming Quadrant which forms part of scope.
Request	Stay, Discuss & Vote
Decision of Council	Not Applicable

**OFFICER RECOMMENDATION (3314)****APPROVAL**

At 9.19pm Cr Robartson moved, seconded Cr Foxtton -

1. That the Council approve the confidential response “Draft Murdoch Specialised Activity Centre Structure Plan Response” to be forwarded to the Western Australian Planning Commission advising of Council’s conditional support for advertising of the Draft Murdoch Specialised Activity Centre Structure Plan.
2. That the Draft Murdoch Specialised Activity Centre Structure Plan report and attachment remain confidential until the commencement of the proposed public consultation period.

At 9.20pm Cr Nicholson returned to the meeting.

At 9.20pm Mr Ponton entered the meeting.

Amendment 1

At 9.25pm Cr Reynolds moved, seconded Cr Robartson –

3. *That Council expressed its concern regarding any roadway from Murdoch University to Prescott Drive across South Street and that appropriate studies be undertaken to confirm that this is the most appropriate alignment.*

At 9.27pm the Mayor submitted the amendment, which was declared

**CARRIED (11/0)**Amendment 2

At 9.33pm Cr Nicholson moved, seconded Cr Taylor-Rees –

*That the Draft Murdoch Specialised Activity Centre Structure Plan report give greater acknowledgement of the importance of the wetlands, the native flora and fauna and that Council not support development within 150 metres of the wetland areas.*

At 9.37pm the Mayor submitted the motion, which was declared

**LOST (4/7)**

**P12/3314 – CONFIDENTIAL ITEM - DRAFT MURDOCH SPECIALISED ACTIVITY CENTRE STRUCTURE PLAN**

Cr Nicholson requested that the votes be recorded -

**For:** Mayor R Aubrey, Cr Foxton, Cr Kinnell, Cr Macphail, Cr Reidy, Cr Reynolds, Cr Robartson,  
**Against:** Cr Hill, Cr Nicholson, Cr Pazolli, Cr Taylor-Rees

**COUNCIL RESOLUTION (3314)****APPROVAL**

At 9.37pm the Mayor submitted the substantive motion as amended –

- 1. That the Council approve the confidential response “Draft Murdoch Specialised Activity Centre Structure Plan Response” to be forwarded to the Western Australian Planning Commission advising of Council’s conditional support for advertising of the Draft Murdoch Specialised Activity Centre Structure Plan.**
- 2. That the Draft Murdoch Specialised Activity Centre Structure Plan report and attachment remain confidential until the commencement of the proposed public consultation period.**
- 3. That Council expressed its concern regarding any roadway from Murdoch University to Prescott Drive across South Street and that appropriate studies be undertaken to confirm that this is the most appropriate alignment.**

At 9.38pm the Mayor declared the motion

**CARRIED (11/0)**

**CONFIDENTIAL ITEM - T12/3317 - CITY OF CANNING – WITHDRAWAL FROM  
SOUTHERN METROPOLITAN REGIONAL COUNCIL (SMRC) (REC)  
(CONFIDENTIAL ATTACHMENT)****OFFICER RECOMMENDATION (3317)****APPROVAL**

At 9.39pm Cr Robartson moved, seconded Cr Reidy -

**That the Council:**

1. **Consent to the City of Canning being retired from its obligations under the following loan agreements between the Western Australian Treasury Corporation, the Participants and the Southern Metropolitan Regional Council:**
  - a. **\$2 million secured lending facility (known as the Office Project Loan) – withdrawal effective 30 June 2012.**
  - b. **\$55 million secured lending facility (Regional Resource Recovery Centre) – withdrawal effective 30 June 2012 subject to the City of Canning acquiring a 27.98% share of the current amount of debt outstanding under this facility.**
2. **Sign the Deed of Settlement between the continuing participants of the Southern Metropolitan Regional Council and the City of Canning and affix the common seal of the Council in the presence of the Mayor and Chief Executive Officer; and**
3. **Subject to the Deed of Settlement being endorsed by all members, send a letter to the Southern Metropolitan Regional Council requesting it to submit a revised Exhibit B Certificate to the Western Australian Treasury Corporation as required under the terms and conditions of the loan agreements specified in (1)a. and (1)b. above indicating the new percentages of the reduced amount of the Southern Metropolitan Regional Council debt being apportioned to the remaining participants following the withdrawal of the City of Canning effective 30 June 2012.**

Amendment

**That point 4 be added to the Officer Recommendation as follows –**

4. ***That the Minister for Local Government be advised of this resolution relating to the withdrawal of the City of Canning from the largest alternative waste treatment operation in Western Australia.***

At 9.39pm the Mayor submitted the amendment, which was declared

**CARRIED (11/0)**

**CONFIDENTIAL ITEM - T12/3317 - CITY OF CANNING – WITHDRAWAL FROM  
SOUTHERN METROPOLITAN REGIONAL COUNCIL (SMRC) (REC)  
(CONFIDENTIAL ATTACHMENT)**Reason for Amendment

The Minister for Local Government needs to be informed of the importance of alternative waste treatment of municipal solid waste and of the long term commitments that Local Governments have made in seeking to divert waste from landfill.

**COUNCIL RESOLUTION (3317)****APPROVAL**

At 9.39pm the Mayor submitted the substantive motion as amended –

**That the Council:**

1. **Consent to the City of Canning being retired from its obligations under the following loan agreements between the Western Australian Treasury Corporation, the Participants and the Southern Metropolitan Regional Council:**
  - a. **\$2 million secured lending facility (known as the Office Project Loan) – withdrawal effective 30 June 2012.**
  - b. **\$55 million secured lending facility (Regional Resource Recovery Centre) – withdrawal effective 30 June 2012 subject to the City of Canning acquiring a 27.98% share of the current amount of debt outstanding under this facility.**
2. **Sign the Deed of Settlement between the continuing participants of the Southern Metropolitan Regional Council and the City of Canning and affix the common seal of the Council in the presence of the Mayor and Chief Executive Officer; and**
3. **Subject to the Deed of Settlement being endorsed by all members, send a letter to the Southern Metropolitan Regional Council requesting it to submit a revised Exhibit B Certificate to the Western Australian Treasury Corporation as required under the terms and conditions of the loan agreements specified in (1)a. and (1)b. above indicating the new percentages of the reduced amount of the Southern Metropolitan Regional Council debt being apportioned to the remaining participants following the withdrawal of the City of Canning effective 30 June 2012.**
4. ***That the Minister for Local Government be advised of this resolution relating to the withdrawal of the City of Canning from the largest alternative waste treatment operation in Western Australia.***

At 9.39pm the Mayor declared the motion

**CARRIED (11/0)**

At 9.39pm Cr Reidy moved, seconded Cr Reynolds -

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

At 9.39pm the Mayor submitted the motion, which was declared

**CARRIED (11/0)**

No members of the public or press returned to the meeting.

#### **19. CLOSURE**

There being no further business to discuss, His Worship the Mayor declared the meeting closed at 9.39pm.