



MINUTES

OF THE

ORDINARY MEETING OF COUNCIL

HELD ON

21 AUGUST 2012

AT 6.30PM IN THE COUNCIL CHAMBERS

MELVILLE CIVIC CENTRE

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MINUTES OF THE ORDINARY MEETING OF THE COUNCIL HELD IN THE COUNCIL CHAMBERS, MELVILLE CIVIC CENTRE, 10 ALMONDBURY ROAD, BOORAGOON, COMMENCING AT 6.30PM ON TUESDAY, 21 AUGUST 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 Deputy Mayor Cr Clive Robartson, 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

Presiding Member Deputy Mayor Cr C Robartson

COUNCILLORS

Cr R Willis
Cr N Pazolli, Cr P Reidy
Cr A Nicholson, Cr D Macphail
Cr S Taylor-Rees, Cr J Barton
Cr R Hill
Cr N Foxtton

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 P Prendergast	Manager Planning & Development Services
Mr B Taylor	Manager Information, Technology & Support
Mr J Bird (From 6.48pm to 6.49pm)	Manager Parks and Environment
Ms M Coelho (From 6.47pm to 6.48pm)	Coordinator Neighbourhood Support
Mr J Clark	Governance & Compliance Program Manager
Ms D Beilby	Minute Secretary

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

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

Cr B Kinnell Palmyra/Melville/Willagee Ward

4.2 APPROVED LEAVE OF ABSENCE

Mayor R Aubrey
Cr M Reynolds University 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 M Norman, Booragoon

Question 1

In consideration of community concerns or to allay any fears councillors may have, will council agree to carry out an independent environmental study on possible impacts of the installation and longer term consequences of synthetic turf at Len Shearer Reserve on surrounding flora, fauna, ground water, soil, users and local residents; considering at least, material borne pollutants, airborne particulate matter especially sub PM10 from synthetic infill material (e.g. crystalline silica) considering its wear over time, and urban hotspot creation using peer-reviewed, independently-tested scientific data in preference to the manufacturer's presentation material, specifications, testing or material data sheets?

Question 2

Why has overuse, resulting considerable damage of the Len Shearer Reserve Natural Turf predominately from organised soccer activities, been allowed and not effectively managed by the Council, especially in consideration of:

- 1) *allowing soccer season creep, so there is little time for the natural turf to recover between soccer and summer athletics,*
- 2) *not stopping enough matches and practices seasons when ground is sodden or extremely muddy,*
- 3) *installing extra goalpost in-ground receivers to allow the two large pitches certain across-field movement (when new game lines are painted) to promote even wear and allow some recovery in high traffic areas such as goals, penalty spots corners etc.,*
- 4) *improving management of sharing matches and practise sessions across multiple reserves, and*
- 5) *capping the number of players, and matches at Len Shearer ...to extend the life of the Natural Turf overcoming or delaying replacement by Synthetic turf, which will reduce access for certain clubs and residents?*

Please consider:

- 1) *Melville athletics have stated they cannot use the Synthetic Turf due heat, equipment (javelin, shot put, discus etc,) causing damage to the surface and the inability to stake shade structures.*
- 2) *Council representatives stated at the recent information sessions on the 18th and 20th of August that the Synthetic Turf in the configuration proposed is probably only suitable for Soccer and Touch Rugby.*
- 3) *Unorganised and informal sport, family use etc. will be restricted by what they can do in within the area.*
- 4) *Health and safety issues will arise due to elevated surfaces temperatures during certain hotter days. Duty of care responsibilities at other facilities have stopped use once the surface temperature reaches 50degrees Celsius.*
- 5) *It is highly likely that dog owners will have no access.*

6. QUESTION TIME (Continued)

Questions submitted by Mr Norman were taken on notice. A response in writing will be provided to Mr Norman from Ms Christine Young, Director Community Development and the details contained in that response will be recorded in the Agenda and Minutes of the September 2012 Ordinary Meeting of Council.

6.2 Ms J Hargreaves, Booragoon

Question 1

The maintenance cost of the Len Shearer Reserve proposed Synthetic Turf has been estimated in the City of Melville "Len Shearer Information" document at \$10,000 per annum, however the "Natural Grass vs. Synthetic Turf Surfaces Study Final Report" by the Government of Western Australia, Department of Sport and Recreation, estimates the operating cost to be \$25,000 per soccer field per annum. In consideration of the extreme proximity of leaf shedding gum trees and other vegetation and the susceptibility of Synthetic Turf to maintenance and operating issues from tree litter, how can the maintenance cost be only \$10,000 per annum?

Questions submitted by Ms Hargreaves were taken on notice. A response in writing will be provided to Ms Hargreaves from Ms Christine Young, Director Community Development and the details contained in that response will be recorded in the Agenda and Minutes of the September 2012 Ordinary Meeting of Council.

7. AWARDS AND PRESENTATIONS

7.1 WALGA Banners Award

In line with the Cultural Vitality Plan the City participated once again in the WALGA Banners in the Terrace competition this year and earlier this month was announced winner of the best community group/non-professional category.

The City has participated in the annual competition for several years and also won awards in 2003 and 2006. This year the City of Melville was the only metropolitan local government to receive an award.

The banners from local governments across the State were displayed along St Georges Terrace and Adelaide Terrace from Sunday, 29 July to Saturday, 11 August 2012.

The Deputy Mayor invited the Coordinator Neighbourhood Support, Ms Marcia Coelho to come forward and receive this award on behalf of the Neighbourhood Development team. The Award recognises the City's commitment to this particular project and its ongoing contribution to the cultural vibrancy of our City.

7. AWARDS AND PRESENTATIONS (Continued)

7.2 International Council for Local Environmental Initiatives (ICLEI) award

On the 2 August the City proudly received an award for reaching milestone 5 in the Corporate module of the Water Campaign™ for ICLEI. ICLEI is the International Council for Local Environmental Initiatives, founded in 1990 and working with local governments for sustainability.

In recent years the City has significantly reduced its demand on precious water supplies and is one of a growing number of local governments in Australia tackling the challenge of sustainable water resource management.

The City was presented with the Water Campaign™ Award at the 2012 ICLEI Oceania and Waterwise Councils Awards Breakfast. While some of the original team members are no longer with us, the Deputy Mayor invited the Manager Parks and Environment, Mr Jeff Bird, to come forward and receive this award on behalf of the environmental team. This award recognises the hard work and dedication of the City in partnership with other ICLEI members and is an achievement that undoubtedly is already making a significant contribution towards the sustainable future of the City.

8. CONFIRMATION OF MINUTES

8.1 ORDINARY MEETING OF COUNCIL – 17 JULY 2012 Min 17 July 2012

COUNCIL RESOLUTION

At 6.49pm Cr Macphail moved, seconded Cr Hill -

That the Minutes of the Ordinary Meeting of Council held on Tuesday, 17 July 2012, be confirmed as a true and accurate record subject to the following amendment –

In Item 16.2 - Motion Without Notice – Proposed Notice of Rescission Motion Relating to Item T12/3318 – Grant Funding – Friends of Wireless Hill add the following Part 2 of the original recommendation of the Council on 15 May 2012 as this was not recorded in the Minutes.

“2. The City investigate if the project could be managed by the South East Regional Centre for Urban Landcare (SERCUL) on behalf of the Friends of Wireless Hill.”

At 6.49pm the Deputy Mayor submitted the motion, which was declared

CARRIED (10/0)

8. CONFIRMATION OF MINUTES (Continued)**8.2 SPECIAL MEETING OF COUNCIL – 24 JULY 2012**
Min 24 July 2012**COUNCIL RESOLUTION**

At 6.50pm Cr Willis moved, seconded Cr Barton -

That the Minutes of the Special Meeting of Council held on Tuesday, 24 July 2012 be confirmed as a true and accurate record.

At 6.50pm the Deputy Mayor submitted the motion, which was declared
CARRIED (10/0)

8.3 NOTES OF AGENDA BRIEFING FORUM – 7 AUGUST 2012
Notes 7 August 2012**COUNCIL RESOLUTION**

At 6.50pm Cr Macphail moved, seconded Cr Taylor-Rees -

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

At 6.50pm the Deputy Mayor submitted the motion, which was declared
CARRIED (10/0)

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

Nil.

9.2 DISCLOSURE OF INTEREST THAT MAY CAUSE A CONFLICT

Nil.

10. APPLICATIONS FOR NEW LEAVES OF ABSENCE

At 6.51pm Cr Willis moved, seconded Cr Taylor-Rees -

That the applications for new leaves of absence submitted by Cr Reidy and Cr Robartson on 21 August 2012 be granted.

At 6.51pm the Deputy Mayor submitted the motion, which was declared
CARRIED (10/0)

11. IDENTIFICATION OF MATTERS FOR WHICH MEETING MAY BE CLOSED

- P12/3322 – Consideration of Possible Purchase of Property at 412 Canning Highway, Attadale and Options for 410 Canning Highway, Attadale
- P12/3325 – Consideration of Possible Purchase of Western Power Land 58 – 60 Murray Road, Bicton and Proposed Sale of 62 Murray Road, Bicton

The above matters are confidential in accordance with Section 5.23 (2) (c) & (h) of the Local Government Act 1995, and Local Government (Administration) Regulations 1996 Clause 4A relating to the sale or purchase of property.

12. PETITIONS**12.1 Petition – Opposition to Proposed Change of Use at 1 Shea Grove, Leeming**

A petition signed by 108 residents was received by the City of Melville on Tuesday, 14 August 2012. The petition reads as follows –

“We, the undersigned, all being Electors of the City of Melville, do humbly pray that the City of Melville do not approve the proposed Development of 1 Shea Grove, Leeming into Specialist Consulting Rooms and that they preserve the property as a Residential property to retain the neighbourly character of the area and to ensure the safety of the residents by retaining a primarily inhabited residence.”

COUNCIL RESOLUTION

At 6.53pm Cr Willis moved, seconded Cr Reidy -

That the petition bearing 108 signatures be received and acknowledged in writing to the lead petitioner with the advice that the petition will be taken into consideration as part of the assessment of the application.

At 6.53pm the Deputy Mayor submitted the motion, which was declared

CARRIED (10/0)

13. REPORTS OF THE CHIEF EXECUTIVE OFFICER

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

P12/3323 - THREE-STOREY MIXED-USE DEVELOPMENT AT LOT 276 (8) BRAGOR PLACE, ARDROSS (SMREC) (CONFIDENTIAL ATTACHMENT)

Ward : Applecross – Mount Pleasant
 Category : Operational
 Application Number : DA-2011-599
 Property : Lot 276 (8) Bragor Place, Ardross
 Proposal : Three-storey Mixed-use Development
 Applicant : Yaran Property Group
 Owner : Bragor 8 Pty Ltd
 Disclosure of any Interest : No Officer involved in the preparation of this report has a declarable interest in this matter.
 Previous Items : Not applicable
 Responsible Officer : Peter Prendergast
 Manager Planning and Development Services

AUTHORITY / DISCRETION

DEFINITION

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

P12/3323 - THREE-STOREY MIXED-USE DEVELOPMENT AT LOT 276 (8) BRAGOR PLACE, ARDROSS (SMREC) (CONFIDENTIAL ATTACHMENT)

KEY ISSUES / SUMMARY

- Planning approval is sought for the re-development of the subject lot to provide a mixed-use development comprising a three storey building.
- The majority of the development will be made up of multiple dwellings (i.e. residential) however, one tenancy located on the corner of Bragor Place and Almondbury Road is proposed to be used as an office.
- The subject site is located in close proximity to the City Centre, in an area designated as "City Centre Frame". 'Office' and 'Residential' uses are classed as 'S' and 'D' land uses respectively within the City Centre Frame Precinct.
- The proposed development incorporates a number of variations to the development requirements of the R-Codes and Community Planning Scheme No 5 (CPS5). These relate to plot ratio, landscaping, secondary street setback and side setbacks.
- The proposed variations are supported or can otherwise be made to comply by way of conditions to satisfy the relevant Performance Criteria of the R-Codes and/or the objectives of CPS5.
- The approval of the application requires a Special Majority decision of Council given the plot ratio variation that is proposed.
- The application is recommended for conditional approval.



P12/3323 - THREE-STOREY MIXED-USE DEVELOPMENT AT LOT 276 (8) BRAGOR PLACE, ARDROSS (SMREC) (CONFIDENTIAL ATTACHMENT)

BACKGROUND

Scheme Provisions

MRS Zoning	: Urban
CPS 5 Zoning	: Commercial Centre Frame
R-Code	: R50
Use Classes	: Office and Residential
Use Permissibility	: Office – S Residential - D

Site Details

Lot Area	: 862.76sqm
Retention of Existing Vegetation	: Not applicable
Street Tree(s)	: No registered trees on verge
Street Furniture (drainage pits etc)	: Not applicable
Site Details	: Refer to photo above

[3323 Site and Elevation Plans 8 Bragor Place Booragoon](#)

DETAIL

Development Requirements

The proposal generally satisfies the relevant development requirements of the R-Codes, CPS5 and Council Policy with the exception of the following:

Development Requirement	Required/ Allowed	Proposed	Comments	Delegation to approve variation	Plan Notation
CPS5 / Policy Variations					
Plot Ratio	0.8 (690.2sqm)	0.91 (787.14sqm)	Does not comply	Council	
Landscaping	25%	3%	Does not comply	MPDS	
Secondary Street Setback	3.0m	GF, FF & SF - 0m	Does not comply	MPDS	
Commercial Setback	2.0m to residential uses	1.0m	Does not comply	Council	
R-Code Variations					
Setbacks – Side (east)					
GF – Stores / bin	1.5m	0m	Does not comply	MPDS	
SF – units 12 & 13 wall	4.3m	3.4m	Does not comply	MPDS	
Setbacks – Side (north)					
SF - Unit 15 entire wall	2.0m	1.5m-6.9m	Does not comply	MPDS	

(Note: GF – Ground Floor, FF – First Floor, SF – Second Floor)

P12/3323 - THREE-STOREY MIXED-USE DEVELOPMENT AT LOT 276 (8) BRAGOR PLACE, ARDROSS (SMREC) (CONFIDENTIAL ATTACHMENT)

PUBLIC CONSULTATION / COMMUNICATION

Advertising Required: Yes
 Neighbour's Comment Supplied: Yes
 Reason: Variations to R-Codes / Policy / R-Codes
 Support/Object: Six objections

Submission received from	Summary of Submissions	Support / Objection	Officer's Comment	Action (Uphold / Not Uphold)
Bragor Place	Object to the proposal on the grounds of: <ul style="list-style-type: none"> • Safety – proposal would increase traffic flow in the street making it less safe for school children. • Waste Collection – proposal will increase parking on the street resulting in access issues for waste trucks. • Bought into the locality on the understanding that Almondbury Road will be commercial uses and Bragor remains residential. • Proposal will set a precedence for a similar mixed use proposal on the opposite corner 	Object	In response to the concerns raised by the objector, the proposal has been revised to remove all but one office tenancy. Revisions have also been undertaken with respect to the car parking layout to ensure vehicle access and egress occur in a safe manner. It is noted that the supporting Transport Statement submitted as part of the application indicates that the proposal (as presented) will only have a 'low impact' classification under the Western Australian Planning Commission (WAPC) Transport Assessment guidelines. This has been acknowledged by the City's Engineering Design Department.	Partially Uphold
Bragor Place	Concerns raised in relation to the adverse impact the proposal will have in relation to amenity and safety of Bragor Place.	Object	As per comments above.	Partially Uphold

P12/3323 - THREE-STOREY MIXED-USE DEVELOPMENT AT LOT 276 (8) BRAGOR PLACE, ARDROSS (SMREC) (CONFIDENTIAL ATTACHMENT)

<p>Bragor Place</p>	<p>Object to the proposal given its inconsistency with the City's zoning plans and will result in a significant increase in traffic risk to local residents and school children.</p> <p>Concerns also raised in relation to the proposal setting a precedence for a similar development on the opposite corner.</p>	<p>Object</p>	<p>As per comments above.</p> <p>With regard to zoning, the subject site is zoned 'City Centre Frame' Precinct which may permit both office and residential uses at the discretion of Council. From a land use perspective, no adverse impacts are considered to occur with existing residential uses on Bragor Place (Refer comments section for further detail).</p>	<p>Partially Uphold</p>
<p>Lealt Place</p>	<p>Concerns raised in relation to the proposal based on the following reasons:</p> <ul style="list-style-type: none"> • The applicant promotes National Rental Affordability Scheme (NRAS) and it is assumed that the subject proposal will form part of this scheme. The NRAS require developments to satisfy a number of requirements relating to universal access, efficient lighting, environmentally friendly hot water systems, ventilation and water tanks. The proposal does not appear to meet any of these requirements. • Any future development will increase the traffic load on Bragor Place. 	<p>Object</p>	<p>As per comments above, concerns relating to traffic impact have been addressed through revised plans which show all but one office tenancy being deleted from the original proposal. In effect, this has reduced the previously anticipated commercial traffic impacting on the locality. The traffic volumes anticipated are considered to be 'low impact' as per the supporting transport statement submitted.</p> <p>With regard to NRAS issues, it is not a relevant planning consideration for the City. Notwithstanding, the proposal is considered to deliver upon the intent of the NRAS through providing opportunity for housing diversity (i.e. compact two bedroom units).</p>	<p>Partially Uphold</p>

P12/3323 - THREE-STOREY MIXED-USE DEVELOPMENT AT LOT 276 (8) BRAGOR PLACE, ARDROSS (SMREC) (CONFIDENTIAL ATTACHMENT)

	<ul style="list-style-type: none"> Inadequate parking is considered to be provided for the office uses. Any overflow parking may create problems in the neighbour streets – Leverburgh Street and Lealt Place. Not sure how the proposal complies with State Planning Policy 3.1 guidelines which require grouped dwellings to be 200sqm per dwelling. The ratio of car bays to residential units is totally inadequate considering there is no provision for external parking. <p>Do not wish to live adjacent to an unmanageable slum for 'disadvantaged people'.</p>		<p>It is noted that dwelling size for the proposal is not subject to the grouped dwelling requirements of the R-Codes given the proposal is for multiple dwellings. Dwelling size in this context is governed under the plot ratio requirement contained under clause 7.1.1 for which the proposal seeks a minor variation.</p> <p>The statement relating to the proposal being a 'unmanageable slum' is not a relevant planning consideration.</p>	
Almondbury Road	<p>Object to the proposal based on the following reasons:</p> <ul style="list-style-type: none"> Inadequate setbacks based on the scale of the development. The zero building setback on the secondary street should not be allowed. The proposal is 1.0m higher than the normal allowable height which will create overshadowing problems. The proposal is considered to have an occupancy density of up to 50 persons. In addition, a very high level of air conditioning. This is considered to result in noise issues. 	Object	<p>As noted above, a number of concerns raised have been addressed as part of revised plans submitted. In addition the following comments are made:</p> <ul style="list-style-type: none"> Reduced secondary street setbacks are supported on the basis that it will assist in promoting the creation of a 'main street' environment in accordance with the City's Local Commercial Strategy. With regard to building height, the proposal is compliant. 	Partially Uphold

P12/3323 - THREE-STOREY MIXED-USE DEVELOPMENT AT LOT 276 (8) BRAGOR PLACE, ARDROSS (SMREC) (CONFIDENTIAL ATTACHMENT)

	<ul style="list-style-type: none"> • Parking is already a problem in the area and the proposal will exacerbate this. • Over the years, effort has been made to landscape the boundary to maximise privacy. Boundary works associated with the proposal will result in removal of this landscaping. <p>Construction work will result in environmental damage and extreme loss of privacy.</p>		<ul style="list-style-type: none"> • Noise generating utilities and ongoing levels will be governed under the <i>Environmental Protection (Noise) Regulations 1997</i>. • Parking provision satisfies the relevant Policy and R-Code requirements. <p>Any damages incurred during construction work on neighbouring lots must be restored by the builder.</p>	
Links Road	<p>Object to the proposal given its inconsistency with the City's zoning plans and will result in a significant increase in traffic risk to local residents and school children.</p> <p>The R50 zoning should only apply to offices physically fronting and getting access via Almondbury Road.</p> <p>Concerns also raised in relation to the proposal setting precedence for a similar development on the opposite corner.</p>	Object	<p>Concerns relating to traffic have been addressed through revised plans and supporting Transport Statement which concludes the proposal falls under a 'low impact' classification.</p> <p>With regard to zoning, it is noted that building size has little relevance but rather, plot ratio applicable against the relevant density provision. In this instance, it is noted that under the R-Codes, R40 and R50 lots both afford a plot ratio requirement of 0.6 (for multiple dwellings).</p>	Partially Uphold

P12/3323 - THREE-STOREY MIXED-USE DEVELOPMENT AT LOT 276 (8) BRAGOR PLACE, ARDROSS (SMREC) (CONFIDENTIAL ATTACHMENT)**CONSULTATION WITH OTHER AGENCIES / CONSULTANTS**Traffic Impact Assessment

A detailed traffic report prepared by an independent traffic consultant has been submitted in support of the development proposal. This was assessed by officers of the City's Technical Services Directorate, whose input resulted in further modifications to the parking, access and egress areas.

Given these revisions, it is concluded that the proposed development is supported in traffic and transport terms.

STATUTORY AND LEGAL IMPLICATIONS

There are no statutory or legal implications associated with this proposal.

FINANCIAL IMPLICATIONS

There are no financial implications anticipated as part of this proposal.

STRATEGIC, RISK AND ENVIRONMENTAL MANAGEMENT IMPLICATIONS

There are no anticipated strategic, risks or environmental management implications associated with this proposal.

POLICY IMPLICATIONS

There are no Policy implications associated with this proposal.

ALTERNATE OPTIONS & THEIR IMPLICATIONS

This application requires a Special Majority decision of the Council to determine. Should the application be refused, the matter may be the subject of an Application for Review at the State Administrative Tribunal (SAT).

COMMENT

Planning approval is sought for a three-storey mixed-use development within the 'City Centre Frame' Precinct of Bragor Place / Almondbury Road. The City Centre Frame is one of a number of 'Commercial Centre Frame' Precincts located throughout the City of Melville.

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In this instance, the frame abuts the 'City Centre' Precinct along its southern side. This portion of the frame generally consists of residential uses however some commercial uses exist in the form of a dental and dermatology clinic. Commercial land use activities are expected to become more dominant throughout the City Centre Frame precinct as the population of the City grows and as the retail, commercial, and recreational importance of the City Centre itself becomes more significant.

The Statement of Intent of the 'CCF- City Centre Frame' Precinct states:

"Medium density residential and mixed business area, including small scale offices, medical practitioners, and public purposes but excluding shops, open air display of goods and vehicles, restaurants, service stations and the like. All development shall be residential in character with a suitable landscaping provision to ensure compatibility with existing homes."

The development proposal in question is therefore consistent with the stated land use objectives of CPS5 and is supported in principle, in land use terms, on that basis.

In design terms, the proposed building has been architecturally designed in a contemporary residential style with a concealed roof. The lot slopes downwards from south to north along Bragor Place and this topographical feature has also been designed within the fabric of the building. The overall design of the proposal is considered to be consistent with the anticipated residential character of buildings located within a R50 density coding.

Plot Ratio

The proposal presents a total plot ratio of 0.91 (787.14sqm) in lieu of 0.8 (690.2sqm) permitted under the provisions of CPS5. This minor variation of 0.11 or 96.94sqm requires a Special Majority decision of the Council to approve.

It is noted that the City has previously endorsed development proposals that include variations to the Plot Ratio provisions, as have the SAT in respect of development proposals at Tweeddale Road, Applecross and Queens Road, Mount Pleasant.

A recent example of note was the redevelopment proposal for 31f Ardross Street, Applecross, where a plot ratio variation from 0.5 to 1.259 was endorsed by the Council in the interests of delivering positive visual and built form outcomes at the northern entrance to the Applecross Village Local Shopping Centre.

Whilst precedent does not dictate decision making, the examples quoted serve to exemplify the fact that development can be accommodated in accordance with the spirit and intent of CPS5, and without prejudice to it, despite the fact that variations to plot ratio are allowed.

In this case, the variation is supported for the following reasons:

- The creation of a more defined commercial character along this part of Almondbury Road will assist in creation a "Main Street" shopping environment along the northern side of the Garden City shopping complex. The implementation of 'main street' principles along Almondbury Road is a key objective of the City's Local Commercial Strategy.

P12/3323 - THREE-STOREY MIXED-USE DEVELOPMENT AT LOT 276 (8) BRAGOR PLACE, ARDROSS (SMREC) (CONFIDENTIAL ATTACHMENT)

- Plot ratio restrictions do not, in isolation, provide a good mechanism for the control of building bulk or scale. In this context, it is noted that the proposal satisfies the building height requirements for the locality and with regard to setbacks, only presents minor variations. As such, it can be considered that the building otherwise fits within the building envelope set in place through these two development provisions which in effect, have better control over building size in comparison to plot ratio alone.
- The variation is considered minor (being only 0.11 or 96.94sqm).
- In the context of the current proposal, the calculation of plot ratio has included the ground level storage areas. Should these areas be excluded, the plot ratio of the proposal would equate to just 0.83 or 718.14sqm (a variation of only 0.03). Reasons in support of this method of calculation relate to the proposed new definition for 'plot ratio' contained under the draft R-Codes which specifically excludes storerooms in the calculation of plot ratio.
- The variation sought is acceptable when assessed against the Performance Criteria provided by Clause 7.1.1 of the R Codes, in that the proposed building is at a bulk and scale that is consistent with the future desired built form of the locality.
- Whilst concerns raised in relation to building bulk are acknowledged, the development is not considered to adversely impact the amenity of the adjoining neighbours for reasons outlined above.

Landscaping

Under the precinct provisions, landscaping is required to be provided at a rate of 25% of total site area. The subject development proposes an area of landscaping equal to 3% of the total site area available.

Given the urban context of the application site, and the desire that the urban form in this location is bolstered and reinforced via an appropriate urban form and design, the CPS5 landscaping requirement of 25% of total site area is considered to be onerous, and in this case, unnecessary.

In accordance with the provisions of Clause 5.9 (a) and (b) of CPS5, the level of landscaping proposed to be provided is considered acceptable in this case, as care has been exercised to ensure landscaping provision at key strategic locations across the site.

In this regard, the cul-de-sac and adjacent verge areas can be further bolstered with landscaping in addition to what is existing so that it complements the built form, softens the external appearance of the development, and provides a suitable landscaped setting.

On that basis, the landscaping variation sought is supported.

P12/3323 - THREE-STOREY MIXED-USE DEVELOPMENT AT LOT 276 (8) BRAGOR PLACE, ARDROSS (SMREC) (CONFIDENTIAL ATTACHMENT)Secondary Street Setback

The proposed development has been designed with a nil setback across all floors on the secondary street (i.e. Almondbury Road). This setback represents a variation to the City's Residential Development Policy CP-078 which otherwise requires developments on corner lots to be setback a minimum of 3.0m.

In accordance with the provisions of the Policy and R-Codes, the setback variation has been assessed on its merits taking into consideration the wider objectives of the City's Local Commercial Strategy that suggests Almondbury Road achieve a 'main street' design.

The planning assessment undertaken has been fully cognisant of this, and the applicant has modified the proposed plans at the City's request on a number of occasions, working with officers to achieve an acceptable outcome. These revisions have:

- Incorporated / retained an office component facing Almondbury Road to ensure the development maintains interaction with the future 'main street'.
- Nil setbacks enhance passive surveillance and interaction of buildings with street level which promotes active streetscapes and visual interest. This kind of urban design is evident in other metropolitan city centres such as Fremantle, Leederville and Subiaco.

On this basis, the setback variation is supported.

Multiple Dwelling (Residential) - Variations

The residential component of the development has been assessed against the provisions of Part 7 of the R-Codes. In this regard, a number of variations to the Acceptable Development provisions are proposed, including:

Side Setbacks - East

The proposal seeks a variation to the ground floor store area wall setback of 0m in lieu of 1.5m and, upper floor unit 12 and 13 walls setback 3.4m in lieu of 4.3m. The walls are 15m and 36m respectively in length, with a height of 2.7m and 9.0m respectively.

The proposed variations have been assessed against Performance Criteria 6.3.1 and 6.3.2 of the R-Codes and are all considered to satisfy the criteria for the following reasons:

- Bulk impact of the upper floor wall has been minimised through the use of feature walls, wall articulation and a variety of window treatments;
- Bulk impact of the store boundary wall is considered to be negligible given it only measures 0.9m higher than a dividing fence and will otherwise be concealed by existing landscaping situated along the common boundary.
- The setback variation does not result in any adverse overshadowing impact given the wall is east facing;
- There are no privacy implications as all windows have been screening or obscured;
- Whilst concerns have been raised by the adjoining neighbour to the east relating to building bulk concerns (amongst other matters), the variation are supported for reasons outlined above.

P12/3323 - THREE-STOREY MIXED-USE DEVELOPMENT AT LOT 276 (8) BRAGOR PLACE, ARDROSS (SMREC) (CONFIDENTIAL ATTACHMENT)

In addition to the above, it is noted that the affected property is subject to the same zoning as the subject site. That is, it is zoned to allow either medium density multiple dwellings or a mixed use development, one of which is likely to occur at some point in the future.

Side Setbacks - North

The northern setback variation relates to a minor portion of the second floor wall setback 1.5m in lieu of 2.0m. The variation is a result of the diagonal lot boundary which results in a small corner portion of the second floor balcony being setback less than 2.0m. It is noted that the remainder of the wall is compliant with the setback extending as far as 6.9m towards the eastern side of the lot.

The variation is supported for the following reasons:

- Only a minor portion of the upper floor balcony is non-compliant which, in terms of area, equates to only 0.56sqm.
- The variation faces the southern aspect of the adjoining residence which does not contain any outdoor living areas (rather a service corridor extending to the backyard).
- There are no privacy implications as the balconies are proposed to be screened.

Amenity

The proposed development has been assessed against, and found to comply with, the amenity provisions outlined by Clause 7.8 of CPS5 and Amenity Policy CP-067. The detailed development proposal is therefore supported on that basis, notwithstanding the development variations sought.

CONCLUSION

The development of the site in the manner proposed can take place without prejudice to the provisions of CPS5, or Council Policy.

On that basis, and given it is considered that the development will deliver a positive visual and built form outcome for the City, it is recommended that conditional approval be granted.

OFFICER RECOMMENDATION (3223)**SPECIAL MAJORITY APPROVAL**

- A) That the application for a three-storey mixed-use development at Lot 276 (8) Bragor Place, Ardross be approved by a Special Majority Decision of the Council pursuant to Clause 4.3 of Community Planning Scheme No.5 subject to the following Special and Standard Conditions:**

SPECIAL CONDITIONS:

- 1. Prior to the initial occupation of the development, the surface finish of the boundary wall shall be to the satisfaction of the adjoining neighbour. In the event of a dispute, the surface finish shall be to the satisfaction of the Manager Planning and Development Services.**

P12/3323 - THREE-STOREY MIXED-USE DEVELOPMENT AT LOT 276 (8) BRAGOR PLACE, ARDROSS (SMREC) (CONFIDENTIAL ATTACHMENT)

2. Prior to the initial occupation of the development, the ground floor level of the building and wall/s are to be treated with a non-sacrificial anti-graffiti agent to the satisfaction of the Manager Planning and Development Services.
3. In accordance with the approved plans, all parking bay/s, driveway/s and points of ingress and egress areas are to be permanently provided, constructed, drained, and marked prior to the development first being occupied and thereafter maintained to the satisfaction of the Manager Planning and Development Services.
4. Prior to the occupation of the building all unused crossovers are to be removed and the kerbing and verge must be reinstated at the applicant/owner's full expense, and to the satisfaction of the Manager Planning and Development Services.
5. All stormwater and drainage run off to be contained on site.
6. Prior to commencement of the development, a detailed landscaping and reticulation plan for the subject site and the road verge adjacent to the site shall be submitted to and approved in writing by the Manager Planning and Development Services. The landscaping plan is to include details of (but not limited to):
 - (a) The location, number and type of proposed trees and shrubs including size and planting density;
 - (b) Any lawns to be established;
 - (c) Any existing vegetation and/or landscaped areas to be retained; and,
 - (d) Any verge treatments

The approved landscaping and reticulation plan shall be fully implemented within the first available planting season after the initial occupation of the development and maintained thereafter to the satisfaction of the Manager Planning and Development Services. Any species which fail to establish within the first two planting seasons following implementation shall be replaced in accordance with the City's requirements.

ADVICE NOTES:

1. The parking bay/s, driveway/s and points of ingress and egress are to be designed in accordance with the City of Melville plan nos 102a2-80e/1 (concrete commercial crossover), 423a2-87e (bitumen commercial crossover) unless otherwise specified by this approval. The applicant shall pay any damage that is caused to a Council facility, tree or street furniture, or where alteration to a Council facility is required, the cost of such damage or alteration. A concrete apron having width of 0.75 metres must be installed between a brick paved crossing and the bitumen surface of a road.

P12/3323 - THREE-STOREY MIXED-USE DEVELOPMENT AT LOT 276 (8) BRAGOR PLACE, ARDROSS (SMREC) (CONFIDENTIAL ATTACHMENT)

2. This is a Planning Approval only and does not obviate the responsibility of the applicant/owner to comply with all relevant building, health and engineering requirements of the Council or with any other requirements of Community Planning Scheme No. 5. Prior to the commencement of any works a Building Licence may be required.
3. Any roof mounted or freestanding plant or equipment such as plumbing pipes are to be located and/or screened so as not to be visible from the surrounding street(s) to the satisfaction of the Manager Planning and Development Services.
4. The premise is to be provided with a refuse storage area which:
 - (a) Is provided with a tap and connected to an adequate supply of water;
 - (b) Is of sufficient size to accommodate all receptacles used on the premises but in any event having a floor area not less than a size approved by the City's Coordinator of Health Services;
 - (c) Constructed of brick, concrete, corrugated compressed fibre cement sheet or other material of suitable thickness approved by the City's Co-ordinator of Health Services;
 - (d) Having walls not less than 1.5 metres in height and having an access way of not less than one metre in width and fitted with a self closing gate;
 - (e) Containing a smooth and impervious floor –
 - i. Of not less than 75 millimetres in thickness; and
 - ii. Which is evenly graded to an approved liquid refuse disposal system; and
 - (f) Which is easily accessible to allow for the removal of the receptacles.

The refuse storage area is to incorporate a recycling facility or at least to be provided with a recycling receptacle of a sufficient size to contain the recyclable materials from the premises.

5. Noise from air conditioning units must comply with the *Environmental Protection (Noise) Regulations 1997*. In this regard, the owner may wish to refer to the document titled, "An installers guide to Air Conditioner Noise" available on the Department of Environment and Conservation's website to ensure air conditioning units are located such that they will not cause a noise nuisance to nearby properties.

The *Environmental Protection (Noise) Regulations 1997* must be complied with at all times. These regulations stipulate allowable noise levels which if breached constitute unreasonable noise for the purposes of the *Environmental Protection Act 1986*. These regulations can be obtained from www.slp.wa.gov.au

- B) That the residents who objected to the proposal be notified in writing of A) above.

P12/3323 - THREE-STOREY MIXED-USE DEVELOPMENT AT LOT 276 (8) BRAGOR PLACE, ARDROSS (SMREC) (CONFIDENTIAL ATTACHMENT)

COUNCIL RESOLUTION (3223)

APPROVAL

At 6.54pm Cr Reidy moved, seconded Cr Macphail –

That Item P12/3323 - Three-Storey Mixed-Use Development At Lot 276 (8) Bragor Place, Ardross be deferred to a future meeting of the Council.

At 7.02pm the Deputy Mayor submitted the motion, which was declared

CARRIED (10/0)

Reasons for Deferral

The report was deferred to allow time for additional information to be provided and considered.

P12/3324 - MODIFICATION OF CAR PARKING AND ACCESS AT MELVILLE PLAZA SHOPPING CENTRE: LOT 212 (380) CANNING HIGHWAY, BICTON (REC) (ATTACHMENT)

Ward	: Bicton/Attadale
Category	: Operational
Application Number	: DA 2012-724
Property	: Melville Plaza Shopping Centre: Lot 212 (380) Canning Highway, Bicton
Proposal	: Modification to car parking and access
Applicant	: TPG – Town Planning and Urban Design
Owner	: CPT Custodian Pty Ltd
Disclosure of any Interest	: No Officer involved in the preparation of this report has a declarable interest in this matter.
Previous Items	: P99/3030 – Ordinary Meeting of Council – 20 July 1999
Responsible Officer	: Peter Prendergast Manager Planning and Development Services

AUTHORITY / DISCRETION

DEFINITION

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

P12/3324 - MODIFICATION OF CAR PARKING AND ACCESS AT MELVILLE PLAZA SHOPPING CENTRE: LOT 212 (380) CANNING HIGHWAY, BICTON (REC) (ATTACHMENT)**KEY ISSUES / SUMMARY**

- This application is presented to Council for a decision as it relates to a proposal for modifications to a development for which the previous approval of Council was sought.
- The use of the decked car parking area at the Melville Plaza Shopping Centre is restricted by planning condition for use within the hours 6am and 10pm, this condition being imposed in 2002 by the then Town Planning Appeal Tribunal of WA, in their consideration of an appeal lodged at that time.
- It is now proposed that the requirements of the condition be varied to allow access to, and use of, a restricted area of the car park, on a 24 hour basis. This level of use is required to facilitate the business operation of an existing Health Club and Gym, (commercially identified as 'Plus Fitness 24/7' and located within the adjoining shopping centre building) which as the name suggests is proposing to operate on a 24 hour basis.
- The purpose of the condition was to safeguard the levels of residential amenity for occupiers of three dwellings located on the two lots to the immediate north of the decked car parking area, at 15 Fifth Street and 51 Waddell Road.
- The application as submitted includes two parking options, both of which allow a limited number of bays to be available for use by the gym on a 24 hour basis, and both exclude the use of the majority of the car parking bays, particularly those closest to the three residential properties located to the immediate north of the car park, in accordance with the requirements of the initial planning condition. In doing so the residential amenity levels enjoyed by the occupiers of those properties is not prejudiced to any significant degree.
- The difference between the two options presented is the location of a new internal barrier designed to keep the majority of the car parking area closed off during the 10pm to 6am curfew period. Option 1 provides access to 22 car bays with the barrier located 41.0m from the northern boundary. Option 2 provides access to 10 bays with the barrier located 55.0m from the northern boundary. It is recommended that Option 1 is preferred on the basis that Option 2 could result in a sense of isolation for users as only a small number of bays would be created, and the security and safety of users might be prejudiced as a result.
- The application has been advertised to the owners of adjacent properties located to the immediate north, as a result of which one objection letter has been received. Whilst the concerns raised by this letter are acknowledged, the application is recommended for conditional approval.

P12/3324 - MODIFICATION OF CAR PARKING AND ACCESS AT MELVILLE PLAZA SHOPPING CENTRE: LOT 212 (380) CANNING HIGHWAY, BICTON (REC) (ATTACHMENT)



P12/3324 - MODIFICATION OF CAR PARKING AND ACCESS AT MELVILLE PLAZA SHOPPING CENTRE: LOT 212 (380) CANNING HIGHWAY, BICTON (REC) (ATTACHMENT)**BACKGROUND**

The (then) Town Planning Appeal Tribunal on 8 August 2002 (Appeal No. 30 of 2002 - Beaudame Pty Ltd and City of Melville) issued the following consent orders which are relevant to the subject application which seeks approval to modify the existing parking and vary the existing access restrictions to the Melville Plaza Shopping Centre decked car parking area:

- (i) *The car parking deck and undercroft car park shall only be used between the hours of 6am and 10pm.*
- (ii) *The access points to the car parking deck and undercroft car park shall be closed between 10pm and 6am, and*
 - a. *Bollards satisfactory to the Manager, Planning and Development Services shall be installed across access points to the car deck and shall be erected daily so as to prevent vehicular access between hours specified, and*
 - b. *Colourbond gates 1.8m in height shall be installed at the access points to the lower level of the undercroft carpark, in the position shown on the attached Plan C, and shall be closed daily so as to prevent vehicular access between the hours specified.*

Planning approval for the upper deck car park was granted 27 May 1999, and required ramp access from the upper deck to the fitness club. This was provided as required, and the ramp to the gym area from the decked car park has subsequently provided the only level access facility to the gym for the benefit of those who are mobility impaired. To date, this has been sufficient as the operating hours of the gym coincided with the open and close time requirements of the upper car parking deck.

This gym recently changed ownership (the new business commercially identified as 'Plus Fitness 24/7') who seeks to run the gym on a 24 hour basis. Accordingly, this has led to the subject application.

Scheme Provisions

MRS Zoning	: Urban
CPS 5 Zoning	: District Centre 3 – Melville Centre
R-Code	: R60
Use Type	: Shop
Use Permissibility	: P

P12/3324 - MODIFICATION OF CAR PARKING AND ACCESS AT MELVILLE PLAZA SHOPPING CENTRE: LOT 212 (380) CANNING HIGHWAY, BICTON (REC) (ATTACHMENT)

Site Details

Lot Area : 22,129.2m²
Retention of Existing Vegetation : Not applicable
Street Tree(s) : Not applicable
Street Furniture (drainage pits etc) : Not applicable
Site Details : Refer to photo above

[3324 Site Plan and Gate Details Option 1 \(Gym Alterations\) Melville Plaza](#)

DETAIL

There are no development requirements or considerations of relevance in the consideration of this application.

PUBLIC CONSULTATION/COMMUNICATION

Advertising Required: Yes
Neighbour's Comment Supplied: Yes - one objection
Reason: As per Policy CP-054: Community Planning Scheme No.5 (CPS5) and R-Code Advertising Procedures
Support/Object: Object

Affected Property	Summary of Submission	Support/ Objection	Officer's Comment	Action (Uphold / Not Uphold)
Waddell Road	Recommend that the applicant install a disabled stair lift in the enclosed stairwell that leads up from the existing surface car park.	Object	Whilst the concerns raised are acknowledged, the proposal is not considered to result in any adverse amenity impact to adjoining residents as traffic movements will be contained within the southern portion of the upper	Not Uphold

P12/3324 - MODIFICATION OF CAR PARKING AND ACCESS AT MELVILLE PLAZA SHOPPING CENTRE: LOT 212 (380) CANNING HIGHWAY, BICTON (REC) (ATTACHMENT)

<p>Fifth Street</p>	<p>The relaxation of the car parking restrictions are designed to afford local residents amenity protection (i.e. excessive noise from vehicular traffic), and this will be eroded by the current proposal.</p> <p>All planning decisions involving traffic should be taken to ensure arterial or distributor road vehicle traffic is not dispersed into residential streets.</p> <p>General concern expressed with regard to the opening of the Health Club on a 24 hour basis, and the associated disturbance that will follow.</p>	<p>Object</p>	<p>deck parking area (i.e. away from residential properties which are located to the north). Option 1 being the the favoured option results in a setback of 41.0m to the nearest residential property a distance deemed to be adequate in this case. On this basis there is no justification to require the provision of a disabled chair lift, as proposed by the objector.</p> <p>The concerns expressed relate to the opening hours of the Health Club which is not a material planning consideration for the current DA which seeks approval to use a portion of the car parking without restriction.</p>	
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REFERRALS TO GOVERNMENT AGENCIES

Not applicable.

STATUTORY AND LEGAL IMPLICATIONS

The subject condition proposed to be varied was imposed by the former Appeal Tribunal, a body now operating as the State Administrative Tribunal. When a condition of planning approval is imposed, whether that be as a result of a SAT decision, a Council decision, or a delegated decision, the process for varying the requirements of that condition involves the submission of a planning application, to be determined by the responsible Local Government. This process has been correctly followed in this case.

**P12/3324 - MODIFICATION OF CAR PARKING AND ACCESS AT MELVILLE PLAZA SHOPPING CENTRE: LOT 212 (380) CANNING HIGHWAY, BICTON (REC)
(ATTACHMENT)****FINANCIAL IMPLICATIONS**

There are no financial implications anticipated as part of this proposal.

STRATEGIC RISK AND ENVIRONMENTAL MANAGEMENT IMPLICATIONS

There are no anticipated strategic, risks or environmental management implications associated with this proposal.

POLICY IMPLICATIONS

There are no Policy implications associated with this proposal.

ALTERNATE OPTIONS & THEIR IMPLICATIONS

The determination of this application is referred to the Council as the application seeks to vary a development for which the initial decision was made by the Council. The applicant has the right to seek review of the Council's decision at the State Administrative Tribunal (SAT), if they so wish.

COMMENTS

As stated, approval is sought to modify a condition of planning approval which restricts the use of the upper decked car parking area at the Melville Plaza Shopping Centre between the hours 10pm and 6am, daily. The condition was imposed as part of Consent Orders issued as part of the (then) Town Planning Appeal Tribunal decision relating to the development and construction of the decked car parking structure in 2000-2001. The intent of the condition was to ensure that amenity impacts to adjoining residents to the north were safeguarded and minimised.

The current subject application includes two options for the creation of an accessible car park for the purposes of providing level access to the proposed health Club/Gym, which is intending to operate on a 24 hour, 7 day a week basis:

1. Option 1 provides access to 22 car bays with a proposed internal barrier located 41.0m from the northern boundary.
2. Option 2 provides access to 10 bays with a proposed internal barrier located 55.0m from the northern boundary.

In both cases, access to the car parking area is proposed to be taken from Waddell Road, utilising the existing southern most access point as this is located furthest away from residential properties to the north. The existing second access point from Waddell Road into the car parking area will remain closed off from 10pm to 6am daily. The internal barrier will act to contain vehicles within a small area of the existing car park, and ensure that access to the northern area of the car park where it abuts adjoining residential properties, is prohibited. In doing so, the potential for loss of amenity is removed, and residential amenity levels are safeguarded in accordance with the spirit and intent of the condition as initially imposed.

P12/3324 - MODIFICATION OF CAR PARKING AND ACCESS AT MELVILLE PLAZA SHOPPING CENTRE: LOT 212 (380) CANNING HIGHWAY, BICTON (REC) (ATTACHMENT)

With both options presented, there remains a significant degree of separation between the area of the car park that is proposed to be used without restriction, and the residential properties to the north. It is considered that as both options provide the necessary degree of separation between the opposing land uses, that Option 1 is preferred on the basis that this option will allow for the creation of 22 accessible car parking bays, with better manoeuvrability for vehicles as they move in and out of the bays. In addition, users of the accessible car park will benefit from a sense of heightened safety and security if more people are using the car parking area.

Based on the above, conditional approval is recommended.

Amenity

The proposed development has been assessed in accordance with the amenity provisions outlined by Clause 7.8 of CPS5 and Policy CP-067: Amenity. It is concluded that the details of the proposal are acceptable in this context.

CONCLUSION

It is considered that the proposed development, subject to the imposition of appropriate conditions, satisfies the provisions and requirements of CPS5 and Council policy. Accordingly, it is recommended that approval be granted subject to a Special Majority decision of the Council.

P12/3324 - MODIFICATION OF CAR PARKING AND ACCESS AT MELVILLE PLAZA SHOPPING CENTRE: LOT 212 (380) CANNING HIGHWAY, BICTON (REC) (ATTACHMENT)**OFFICER RECOMMENDATION & COUNCIL RESOLUTION (3324)****APPROVAL**

At 7.02pm Cr Barton moved, seconded Cr Foxtton -

- A) That the application for modification of car parking and access at Melville Plaza Shopping Centre: Lot 212 (380) Canning Highway, Bicton be approved subject to the following Special Conditions:**

SPECIAL CONDITIONS:

- 1. The galvanised bi-fold steel gate is to be closed limiting access to the upper deck car parking area (other than the area approved for use as part of this application) during the hours of 10pm and 6am, daily.**
- 2. Lighting to be provided to the proposed car parking area in accordance with Australian Standard AS 1158.3.1 (Cat. P). All external lighting to be hooded and oriented so that the light source is not directly visible to the travelling public or abutting residences.**

- B) That the residents who submitted on the application be notified in writing of A) above.**

At 7.10pm the Deputy Mayor submitted the motion, which was declared

CARRIED (6/4)

Cr Nicholson requested that the votes be recorded.

For: Deputy Mayor C Robartson, Cr Foxtton, Cr Hill, Cr Macphail, Cr Reidy, Cr Willis.

Against: Cr Barton, Cr Nicholson, Cr Pazolli, Cr Taylor-Rees.

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

P12/3310 - PROPOSED DISPOSAL OF LOT 728 (21) WELD ROAD, PALMYRA (AMREC)

Ward : Palmyra – Melville - Willagee
 Category : Strategic
 Application Number : Not Applicable
 Subject Index : Property/Land Administration
 Customer Index : City of Melville
 Property : Lot 728 (21) Weld Road, Palmyra – Certificate of Title 1591/451
 Proposal : Proposed disposal of Lot 728 (21) Weld Road, Palmyra
 Applicant : City of Melville
 Owner : 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 : Previously considered as part of a concept to close portion of Weld Road. Community objections to this proposal resulted in matter not being initiated. (T00/2000 Palmyra Public Open Space – Technical Services Committee 1 February 2000 and Ordinary Meeting of Council on 15 February 2000)
 Responsible Officer : Gavin Ponton, Manager Strategic Urban Planning

AUTHORITY / DISCRETION

<input type="checkbox"/>	Advocacy	<i>When the Council advocates on its own behalf or on behalf of its community to another level of government/body/agency.</i>
<input checked="" type="checkbox"/>	Executive	<i>The substantial direction setting and oversight role of the Council. e.g. adopting plans and reports, accepting tenders, directing operations, setting and amending budgets.</i>
<input type="checkbox"/>	Legislative	<i>Includes adopting local laws, town planning schemes & policies.</i>
<input type="checkbox"/>	Review	<i>When the Council 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>

P12/3310 - PROPOSED DISPOSAL OF LOT 728 (21) WELD ROAD, PALMYRA (AMREC)

KEY ISSUES / SUMMARY

- The City of Melville owns the property located at Lot 728 (21) Weld Street, Palmyra in freehold title.
- The property was formerly the site of the Palmyra Bicton Playgroup and later the Palmyra Bicton Out of School Care facility.
- The Palmyra Bicton Out of School Care Activity Centre vacated the site in 2007 at which time Council removed the buildings that were situated on the land in readiness for development or disposal.
- The Strengthening Communities study makes specific reference to this site and the intent to dispose of this property.
- The property is currently zoned R50, indicating that if sold would yield sufficient funds to enable the acquisition of a much larger area of R20 or similarly zoned property for open space purposes.
- Council has previously considered this site for development of a public open space in conjunction with a proposed closure of portion of Weld Road. This matter was subject to a public consultation process during which there was significant community objection.
- Council in response to this community objection resolved not to proceed with the proposed open space development.
- The property is currently unimproved.
- The property remains as single lot despite the current R50 zoning and it has been confirmed (through the advice of independent qualified valuers) that the highest and best use of the property will be realised by sale as an un-subdivided lot.
- The property is considered to be surplus to City of Melville requirements and as such in accordance with Council Policy CP-005 is recommended for disposal at the appropriate time and the funds placed in the Property Reserve.



Image 1 – showing the location of Lot 728 (21) Weld Road, Palmyra.

P12/3310 - PROPOSED DISPOSAL OF LOT 728 (21) WELD ROAD, PALMYRA (AMREC)**BACKGROUND**

The Council has previously considered the development of this site in conjunction with the proposed closure of portion of Weld Road for the purposes of open space in 2000. Significant community objections were received with respect to the open space proposal and the Council resolved not to proceed with the proposal at that time.

On review of the City's records, it was suggested that the property may have been bequeathed by the previous owner to the City of Melville for the specific use as a Child Health Centre. A search of the Certificate of Title for the property did not indicate any encumbrance placed upon the title to limit the use of the property.

A further search of the transfer of land that took place at the time of acquisition indicated that the encumbrances section within the transfer of land was blank and the value paid by the City to the former owner in 1981 appears to be commensurate with the market value for the property at that time. As such there is no indication that the property was bequeathed to the City by the former owner.

Another suggestion received was in respect to the property having been acquired using funds received by the City from open space contributions (provided by developers in lieu of provision of open space). Whilst the Certificate of Title or transfer of land did not suggest any such relationship to open space, this would not be expected. A search of the financial statements for the City of Melville over the period 1980-1982 was conducted. This search was done to ascertain if funds had been withdrawn from the City's Public Open Space Reserve (or any other reserve fund) to offset the costs of acquiring 21 Weld Road, Palmyra.

The search provided no evidence of any such reserve fund transfer having taken place.

Scheme Provisions

CPS 5 Zoning	:	R50 – Commercial Centre Frame.
R-Code	:	R50
Use Type	:	Vacant land
Use Class	:	Not applicable.

Site Details

Lot Area	:	1,022.24 sqm
Retention of Existing Vegetation	:	Not applicable.
Street Tree(s)	:	Not applicable.
Street Furniture (drainage pits etc)	:	Not applicable.

P12/3310 - PROPOSED DISPOSAL OF LOT 728 (21) WELD ROAD, PALMYRA (AMREC)**DETAILS**

The subject property had been used as an Out of School Activity Centre until 2006. These operations subsequently relocated to Bicton Primary School in 2006. The buildings on the site have since been demolished in preparation for the property being disposed of or redeveloped.

The subject property has been surplus to operational and service delivery requirements for some time, yet remains as an undeveloped and vacant lot in a highly developed urban setting. It is now proposed that the subject property be sold.

PUBLIC CONSULTATION/COMMUNICATION

Disposal of property will require statutory advertising to be undertaken in accordance with Section 3.58 of the Local Government Act 1995 if a private treaty negotiation is conducted. If the sale is by auction or tender no advertising is required.

REFERRALS TO GOVERNMENT AGENCIES

The property is owned in freehold title by the City, is proposed to be sold as a development site, does not require immediate subdivisional approval and is zoned appropriately for the purpose of its prospective use.

STATUTORY AND LEGAL IMPLICATIONS

Section 3.58 of the Local Government Act 1995 provides that;

- (2) *Except as stated in this section, a local government can only dispose of property to —*
 - (a) *the highest bidder at public auction; or*
 - (b) *the person who at public tender called by the local government makes what is, in the opinion of the local government, the most acceptable tender, whether or not it is the highest tender.*

- (3) *A local government can dispose of property other than under subsection (2) if, before agreeing to dispose of the property —*
 - (a) *it gives local public notice of the proposed disposition —*
 - (i) *describing the property concerned; and*
 - (ii) *giving details of the proposed disposition; and*
 - (iii) *inviting submissions to be made to the local government before a date to be specified in the notice, being a date not less than 2 weeks after the notice is first given;*

and
 - (b) *it considers any submissions made to it before the date specified in the notice and, if its decision is made by the council or a committee, the decision and the reasons for it are recorded in the minutes of the meeting at which the decision was made.*

P12/3310 - PROPOSED DISPOSAL OF LOT 728 (21) WELD ROAD, PALMYRA (AMREC)

The details of a proposed disposition that are required by subsection (3) (a) (ii) include —

- (a) *the names of all other parties concerned; and*
- (b) *the consideration to be received by the local government for the disposition; and*
- (c) *the market value of the disposition —*
 - (i) *as ascertained by a valuation carried out not more than 6 months before the proposed disposition; or*
 - (ii) *as declared by a resolution of the local government on the basis of a valuation carried out more than 6 months before the proposed disposition that the local government believes to be a true indication of the value at the time of the proposed disposition.*

FINANCIAL IMPLICATIONS

Whilst valuations have been previously obtained with respect to this property, for the purpose of the Local Government Act 1995, such valuations have an expiry of six months from the date of issue. In preference to incurring further expenses a more recent valuation has not yet been obtained, however one will be secured if the Council resolves to dispose of the property. This independent valuation will determine the minimum value to be achieved from the sale of the property.

Whilst this report recommends the Council authorises the disposal of the subject property it is not necessarily intended that the property would be disposed of immediately. The current real estate market would indicate that in disposing of property (unless such disposal is to fund another agreed outcome), such disposals should be as near as possible to the acquisition of other more strategic properties. This strategy is being suggested due to the fact that the immediate disposal of the 21 Weld Road and any subsequent delay in the acquisition of other strategic properties from the sale proceeds may result in a change in market conditions, rendering the proceeds received for 21 Weld Road being less than that which would have been received if the property was retained in the interim.

In considering the most appropriate course of action (in the event that the Council approves the disposal of the subject property) consideration must be given to how any decision will be taken to dispose of the property. As a vacant lot, the property cannot yield a rental income, neither is it located in an area that enables the Council to consider the ground rental of the lot (as a development site). The only return the property provides to the City is in the form of capital appreciation.

In recent years many properties have been subject to capital depreciation however it is also unclear as to when this trend may cease and positive capital appreciation will be returned. If the property was disposed of immediately and the funds invested into an interest bearing deposit it would currently earn in the range 4.15% to 5% per annum. In addition should the property be subdivided and each lot be developed to their potential, as has occurred in the property opposite at 15 Boyd Road Palmyra, they would earn a total of approximately \$5,300 per annum in general rates. Historically real estate in Perth has shown long term capital appreciation rates of approximately 10% per annum albeit the property market has been flat in the last five years.

P12/3310 - PROPOSED DISPOSAL OF LOT 728 (21) WELD ROAD, PALMYRA (AMREC)

With the current market situation affecting the real estate market it is unknown if capital appreciation will occur in the short to medium term, or if the market does begin to respond whether there will be a significant market 'adjustment'. This lack of clarity in respect to the likely short to medium term real estate market conditions means that the City should therefore approach this disposal in a risk adverse manner.

It is recommended that any disposal will be held in abeyance until such time as the City has identified an alternate property for acquisition. By using this methodology, the City is then selling and buying in the same marketplace and is receiving relativity for the value of its properties when sold.

For this reason, whilst authorisation is sought to dispose of the subject property, it is not intended that the property would be immediately disposed of, rather this disposal would occur at an appropriate time in conjunction with a suitable alternative property acquisition by the City.

STRATEGIC, RISK AND ENVIRONMENTAL MANAGEMENT IMPLICATIONS

There are no Environmental Implications associated with this report.

POLICY IMPLICATIONS

The property identified in this report is deemed to be surplus to the operational and service delivery requirements of the City of Melville. Properties deemed to be surplus to requirements are provided for in accordance with Council Policy CP-005 – Property Retention and Disposal which provides;

Land holdings not required for community or infrastructure use, which may be disposed of by;

- *Medium or long term commercial lease of land and/or buildings*
- *Development or joint venture arrangements*
- *Other disposal opportunities that may exist at the time, including sale with proceeds going to the Land and Property Reserve.*

ALTERNATE OPTIONS & THEIR IMPLICATIONS

The City could decide not to dispose of Lot 728 (No. 21) Weld Road, Palmyra. This option is not supported given that the land is not required for community or infrastructure use and in these circumstances the Property Retention and Disposal Policy supports disposal. Not selling the property would reduce available funds in the Land and Property Reserve and limit future options for strategic acquisitions.

CONCLUSION

With the decision of the Out of School Activity Centre to relocate to the Bicton Primary School in 2006, the previous buildings then vacated, were demolished in preparation for the property being disposed of or redeveloped.

P12/3310 - PROPOSED DISPOSAL OF LOT 728 (21) WELD ROAD, PALMYRA (AMREC)

Following demolition of the previous buildings disposal did not take place and earlier proposed disposals as part of larger assembly of land (including portion of Weld Road) to form an open space area were met with significant objection from the local community.

21 Weld Road Palmyra has been surplus to operational and service delivery requirements for some time, yet remains as an undeveloped and vacant lot in a highly developed urban setting.

Disposal of the property is recommended. To ensure that the Council maintains a practice of buying and selling in the same market, it is further recommended that the sale of the property be held in abeyance until such time as a suitable alternative property is identified for acquisition.

OFFICER RECOMMENDATION & COUNCIL RESOLUTION (3310)**ABSOLUTE MAJORITY**

At 7.11pm Cr Reidy moved, seconded Cr Nicholson -

That the Council by Absolute Majority decision;

- 1. Resolve to dispose of Lot 728 (21) Weld Road, Palmyra being described on Certificate of Title as Lot 728 on Plan 3556 Volume 1591 Folio 451.**
- 2. That the Council delegate to the Chief Executive Officer the authority to sell Lot 728 (21) Weld Road Palmyra at the appropriate time noting that this action may be deferred until such time that it is in the City's strategic best interests to dispose of the property.**

At 7.21pm the Deputy Mayor submitted the motion, which was declared

CARRIED BY ABSOLUTE MAJORITY (8/2)

Cr Macphail requested that the votes be recorded.

**For: Deputy Mayor C Robartson, Cr Barton, Cr Foxtton, Cr Hill, Cr Macphail,
Cr Reidy, Cr Taylor-Rees, Cr Willis.**

Against: Cr Nicholson, Cr Pazolli.

**C12/6243 – COUNCIL POLICY – PROVISION OF MAYORAL VEHICLE (REC)
(ATTACHMENT)**

Ward	: All
Category	: Policy
Subject Index	: Corporate Policy
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	: Subject to Budget Review
Responsible Officer	: Jeff Clark Governance and Compliance Program Manager

AUTHORITY / DISCRETION

DEFINITION

<input type="checkbox"/>	Advocacy	<i>When the Council advocates on its own behalf or on behalf of its community to another level of government/body/agency.</i>
<input type="checkbox"/>	Executive	<i>The substantial direction setting and oversight role of the Council. e.g. adopting plans and reports, accepting tenders, directing operations, setting and amending budgets.</i>
<input checked="" type="checkbox"/>	Legislative	<i>Includes adopting local laws, town planning schemes & 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>

**C12/6243 – COUNCIL POLICY – PROVISION OF MAYORAL VEHICLE (REC)
(ATTACHMENT)****KEY ISSUES / SUMMARY**

- The Department of Local Government has amended the Local Government Act 1995 and the Local Government (Administration) Regulations 1996 to allow the provision of a local government vehicle to a Mayor or President.
- A policy has been proposed to meet the requirements of the legislative amendments in the event that the Mayor requests a City of Melville vehicle for Council related travel.
- This report recommends that the policy be adopted and a Mayoral vehicle be provided should the Mayor request a vehicle.

BACKGROUND

The City of Melville (the City) has previously provided an option for a Mayor to choose to accept a City vehicle with a deduction of \$15,000 from fees payable to the Mayor or claim reimbursement for all Council related travel. The Local Government Act 1995 (the Act) has been amended to allow a vehicle to be provided to a Mayor or President for all Council related travel and that all personal use would be reimbursed to the City.

DETAIL

There have been changes to the Local Government (Administration) Regulations 1996 (34AD) gazetted on 3 May 2011 which has provided a means by which a vehicle may be provided to a Mayor for all Council related travel and also requires reimbursement for all private usage. The Act provisions require that an agreement be made between the Mayor and the City that details the conditions required under the Act for a vehicle to be made available. An agreement document has been prepared should the Mayor choose to request a City vehicle.

It is an option for the Mayor to choose whether to request a City vehicle or claim reimbursement on all Council related travel. The City has prepared a policy that contains the circumstance where a vehicle may be provided and all conditions of use. The prime items in the proposed policy are:

- 1 The vehicle is for Council related business and Private Use subject to reimbursement.
- 2 Private use will be reimbursed as per the City's Purchased Private Use conditions.
- 3 The vehicle standard will be the same as provided to Senior Employees or a lesser standard as agreed by the Mayor of the day
- 4 The purchase/replacement will be consistent with the City's Vehicle Replacement - Light Vehicles Operational Policy OP – 014
- 5 The vehicle may be used by a spouse or partner who holds a valid driver's licence for the vehicle's class
- 6 The vehicle is to be returned within one business day on cessation of the Mayoral term of office

**C12/6243 – COUNCIL POLICY – PROVISION OF MAYORAL VEHICLE (REC)
(ATTACHMENT)**

- 7 The Mayor will be responsible for all minor maintenance and security of the vehicle
- 8 The Mayor will be responsible for the cost of any damage caused to the vehicle that is not recoverable from insurance

PUBLIC CONSULTATION/COMMUNICATION

No public consultation has occurred concerning this report.

CONSULTATION WITH OTHER AGENCIES / CONSULTANTS

Consultation occurred with the Department of Local Government.

STATUTORY AND LEGAL IMPLICATIONS

The insertion of Section 5.101A into the Act and Regulation 34AD inserted into the Local Government (Administration) Regulations 1996 (the Regulation) has provided the legislative authority for a vehicle to be provided to Mayors and Presidents.

The Regulation at clause 34AD(2) specifically requires that an agreement “*setting out the responsibilities of the council member in relation to the use of the vehicle*” is concluded prior to a vehicle being provided.

There are no other legal implications concerning the provision of a vehicle for the Mayor.

FINANCIAL IMPLICATIONS

Should the Mayor choose to request a vehicle, the cost of providing a vehicle would be included in the 2012-13 budget review. A cost is not known at this time as there has been no request for a vehicle to be provided.

STRATEGIC, RISK AND ENVIRONMENTAL MANAGEMENT IMPLICATIONS

There is no strategic, risk or environmental management implications in this report. The provisions of the agreement and Purchased Private use conditions in addition to the City’s Guidelines for Use of City of Melville Vehicles will contain any elements of risk.

Risk Statement	Level of Risk	Risk Mitigation Strategy
That a Mayoral vehicle is used inappropriately	Insignificant consequences which are rare, resulting in a Low level of risk	The established conditions of use and legal agreement fully advise the permitted use of a Mayoral vehicle.

**C12/6243 – COUNCIL POLICY – PROVISION OF MAYORAL VEHICLE (REC)
(ATTACHMENT)****POLICY IMPLICATIONS**

The proposed policy will provide direction to the City and the Mayor in the conditions of use of a Mayoral vehicle.

ALTERNATE OPTIONS AND THEIR IMPLICATIONS

The Act and Regulation provide an option for a Mayor to request a vehicle and for a local government to provide a vehicle. The detail of type and specification of a vehicle is a matter for the Local Government to decide.

A Mayor may choose to submit claims for reimbursement for all Council related travel.

CONCLUSION

The proposed policy provides the responsibilities of the Mayor and City should a vehicle be requested by the Mayor. The provision of a suitable vehicle is consistent with amendments to the Act and Regulation. The Department of Local Government have supported the availability of vehicles for Mayors and Presidents by their development of the legislative amendments.

OFFICER RECOMMENDATION (6243)**APPROVAL**

At 7.22pm Cr Macphail moved, seconded Cr Foxtton -

That the Council:

1. **Adopt the Council Policy – Provision of Mayoral Vehicle 6243 Council Policy Provision of Mayoral Vehicle**
2. **Provide a Mayoral Vehicle should the Mayor make a request for a City of Melville vehicle under the terms and conditions of the Policy.**

Amendment

At 7.22pm Cr Macphail, with agreement of the seconder Cr Foxtton, agreed to incorporate the amendment into the motion.

That at Clause 1 of the Policy, the words “the Senior Employees” be deleted and the words “Senior Management officers of the City” be included.

That at Point 1 of the Officer Recommendation, the words “as amended” be included after “..Mayoral Vehicle”.

**C12/6243 – COUNCIL POLICY – PROVISION OF MAYORAL VEHICLE (REC)
(ATTACHMENT)**Reasons for Amendment

The amendment was proposed at the Agenda Briefing Forum held on 7 August 2012 and was supported by Elected Members present.

COUNCIL RESOLUTION (6243)**APPROVAL****That the Council:**

1. **Adopt the Council Policy – Provision of Mayoral Vehicle 6243 Council Policy Provision of Mayoral Vehicle as amended.**

That at Clause 1 of the Policy, the words “the Senior Employees” be deleted and the words “Senior Management officers of the City” be included.

2. **Provide a Mayoral Vehicle should the Mayor make a request for a City of Melville vehicle under the terms and conditions of the Policy.**

At 7.41pm the Deputy Mayor submitted the motion, which was declared

CARRIED (7/3)

Cr Macphail requested that the votes be recorded.

For: Deputy Mayor C Robartson, Cr Barton, Cr Foxtton, Cr Hill, Cr Macphail, Cr Reidy, Cr Willis.

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"/>	Executive	<i>The substantial direction setting and oversight role of the Council. e.g. adopting plans and reports, accepting tenders, directing operations, setting and amending budgets.</i>
<input type="checkbox"/>	Legislative	<i>Includes adopting local laws, town planning schemes & policies.</i>
<input type="checkbox"/>	Review	<i>When the Council 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 22 June 2012 up to and including 26 July 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 and the Mayor and the Chief Executive Officer attest the affixing of the seal.

DETAIL

Register Reference	Party	Description	File Reference
598	City of Melville and Leeming Heights Community Hall Inc.	Management Licence for a further two years between the City of Melville and Leeming Heights Community Hall	2365276
650	City of Melville and Veteran Car Club Inc.	Deed of Licence for a further five years between City and the Veteran Car Club of WA Inc.	2309714
662	City of Melville and Leeming Sports Association Inc.	Management Licence for a further five years between the City and Leeming sports Association	2678219
663	City of Melville and Leeming Bowls & Recreation Club Inc.	Management Licence for a further five years between the City and Leeming Bowls and recreation Club Inc	2678183
665	City of Melville and Kardinya Bowling Club Inc.	Management Licence for a further five years between the City and Kardinya Bowling Club	2662687
667	City of Melville and Attitudinal Healing (WA) Inc	Management Licence for a further five years between the City and Attitudinal Healing (WA) Inc	2662789
695	City of Melville and the Tivoli Club of WA Inc.	Management Licence for three years between the City of Melville and Tivoli Club of WA	2678086
696	Withdrawal of Caveat	Withdrawal of Caveat 24 (Lots 71& 72 Marr Street Myaree)	2750904

C12/5000 – COMMON SEAL REGISTER (REC)**PUBLIC CONSULTATION/COMMUNICATION**

Not applicable.

CONSULTATION WITH OTHER AGENCIES / CONSULTANTS

Not applicable.

STATUTORY AND LEGAL IMPLICATIONS

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

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

Section 9.49A (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.

C12/5000 – COMMON SEAL REGISTER (REC)**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 22 June 2012 up to and including 26 July 2012, be noted.

At 7.42pm the Deputy Mayor submitted the motion, which was declared

CARRIED EN BLOC (10/0)

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

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<input type="checkbox"/>	Legislative	<i>Includes adopting local laws, town planning schemes & policies.</i>
<input type="checkbox"/>	Review	<i>When the Council 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 June 2012 and recommends that the information detailed in the report be noted.
- The Reserve Bank of Australia (RBA) continues to cut the cash rate which will have an impact on the City's investment earnings.
- The City received the full redemption of its Omega Henley CDO (Collateralised Debt Obligations) with a face value of \$385,000.
- Monthly valuations for CDOs shown for June are based on valuations obtained from CPG Research and Advisory as at 30 June 2012. When compared to the valuations used as at 30 June 2011:
 - CDOs have increased in value by \$3,779,843.

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 June 2012 are shown in the tables below.

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

SUMMARY BY FUND	PURCHASE PRICE \$	MANAGEMENT VALUE AT 30/06/2011 \$	ESTIMATED CURRENT MARKET VALUE \$	BOOK PROFIT/(LOSS) \$	BOOK PROFIT/(LOSS) %
MUNICIPAL RESERVE TRUST CRF	\$ 37,883,530 \$ 46,080,621 \$ 505,818 \$ 187,855	\$ 37,883,530 \$ 33,999,990 \$ 505,818 \$ 187,855	\$ 37,883,530 \$ 37,779,833 \$ 505,818 \$ 187,855	\$ - \$ 3,779,843 \$ - \$ -	0.00% 8.20% 0.00% 0.00%
	\$ 84,657,824	\$ 72,577,193	\$ 76,357,036	\$ 3,779,843	4.46%

SUMMARY BY INVESTMENT TYPE	PURCHASE PRICE \$	MANAGEMENT VALUE AT 30/06/2011 \$	ESTIMATED CURRENT MARKET VALUE \$	BOOK PROFIT/(LOSS) \$	BOOK PROFIT/(LOSS) %
CDO BOND FRN FRTD TERM DEPOSIT 11AM UNITS (Local Govt Hse)	\$ 12,650,000 \$ 4,500,000 \$ 6,000,000 \$ 2,500,000 \$ 57,774,410 \$ 1,002,769 \$ 230,645	\$ 569,369 \$ 4,500,000 \$ 6,000,000 \$ 2,500,000 \$ 57,774,410 \$ 1,002,769 \$ 230,645	\$ 4,349,212 \$ 4,500,000 \$ 6,000,000 \$ 2,500,000 \$ 57,774,410 \$ 1,002,769 \$ 230,645	\$ 3,779,843 \$ - \$ - \$ - \$ - \$ - \$ -	29.88% 0.00% 0.00% 0.00% 0.00% 0.00% 0.00%
	\$ 84,657,824	\$ 72,577,193	\$ 76,357,036	\$ 3,779,843	4.46%

SUMMARY BY CREDIT RATING	PURCHASE PRICE \$	MANAGEMENT VALUE AT 30/06/2011 \$	ESTIMATED CURRENT MARKET VALUE \$	BOOK PROFIT/(LOSS) \$	BOOK PROFIT/(LOSS) %
AAA AA AA- A+ A A- BBB+ NR UNITS (Local Govt Hse)	\$ 2,000,000 \$ 4,000,000 \$ 50,477,179 \$ 7,800,000 \$ 1,500,000 \$ 4,000,000 \$ 2,000,000 \$ 12,650,000 \$ 230,645	\$ 2,000,000 \$ 4,000,000 \$ 50,477,179 \$ 7,800,000 \$ 1,500,000 \$ 4,000,000 \$ 2,000,000 \$ 569,369 \$ 230,645	\$ 2,000,000 \$ 4,000,000 \$ 50,477,179 \$ 7,800,000 \$ 1,500,000 \$ 4,000,000 \$ 2,000,000 \$ 4,349,212 \$ 230,645	\$ - \$ - \$ - \$ - \$ - \$ - \$ - \$ 3,779,843 \$ -	0.00% 0.00% 0.00% 0.00% 0.00% 0.00% 0.00% 29.88% 0.00%
	\$ 84,657,824	\$ 72,577,193	\$ 76,357,036	\$ 3,779,843	4.46%

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 JUNE 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 30/6/11 \$	MATURITY DATE
BANKWEST (11AM)		11AM	3.50%	AA-	\$1,002,380	\$1,002,380	\$1,002,380	\$0	On call
WESTPAC (MAXI DIRECT)		11AM	3.75%	AA-	\$0	\$0	\$0	\$0	On call
WESTPAC (MAXI BONUS 1)		11AM	4.10%	AA-	\$102	\$102	\$102	\$0	On call
WESTPAC (MAXI BONUS 2)		11AM	4.10%	AA-	\$287	\$287	\$287	\$0	On call
					\$1,002,769	\$1,002,769	\$1,002,769	\$0	
ANZ BANK (TERM)		TERM	6.00%	AA-	\$2,400,000	\$2,400,000	\$2,400,000	\$0	Various
ADELAIDE BANK (TERM)		TERM	5.40%	A-	\$1,200,000	\$1,200,000	\$1,200,000	\$0	23-Aug-12
BANKWEST (TERM)		TERM	Various	AA-	\$9,474,410	\$9,474,410	\$9,474,410	\$0	Various
BENDIGO AND ADELAIDE BANK (TERM)		TERM	5.50%	A-	\$2,800,000	\$2,800,000	\$2,800,000	\$0	6-Aug-12
COMMONWEALTH BANK (TERM)		TERM	4.02%	AA-	\$3,500,000	\$3,500,000	\$3,500,000	\$0	3-Oct-12
MACQUARIE BANK (TERM)		TERM	5.40%	A	\$1,000,000	\$1,000,000	\$1,000,000	\$0	11-Jul-12
NAB (TERM)		TERM	Various	AA-	\$8,300,000	\$8,300,000	\$8,300,000	\$0	Various
ST GEORGE BANK (TERM)		TERM	Various	AA-	\$11,000,000	\$11,000,000	\$11,000,000	\$0	Various
SUNCORP 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
					\$57,774,410	\$57,774,410	\$57,774,410	\$0	
BANK OF QUEENSLAND (FLOAT RATE TD) ING BANK		FRTD	4.99%	BBB+	\$2,000,000	\$2,000,000	\$2,000,000	\$0	30-Sep-13
		FRTD	4.65%	A	\$500,000	\$500,000	\$500,000	\$0	6-Sep-12
					\$2,500,000	\$2,500,000	\$2,500,000	\$0	
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	5.46%	AA-	\$500,000	\$500,000	\$500,000	\$0	6-Feb-17
COMMONWEALTH BANK (FRN)		FRN	5.06%	AA	\$2,000,000	\$2,000,000	\$2,000,000	\$0	2-Aug-16
NAB (FRN)		FRN	4.45%	AA-	\$2,000,000	\$2,000,000	\$2,000,000	\$0	16-Sep-14
NAB (FRN)		FRN	4.74%	AA-	\$2,000,000	\$2,000,000	\$2,000,000	\$0	21-Jun-16
					\$10,500,000	\$10,500,000	\$10,500,000	\$0	
APHEX (GLENELG)	Very High	CDO	4.78%	NR	\$2,000,000	\$122,833	\$402,740	\$279,907	22-Dec-14
BERYL FINANCE GLOBAL BANK NOTE	Early Term.	CDO	0.00%	NR	\$2,000,000	\$1	\$1,400,000	\$1,399,999	20-Sep-14
BERYL FINANCE GLOBAL BANK NOTE 2	Early Term.	CDO	0.00%	NR	\$450,000	\$1	\$315,000	\$314,999	20-Sep-14
CORSAIR (CAYMAN) KAKADU	Very High	CDO	5.83%	NR	\$1,500,000	\$75,255	\$189,000	\$113,745	20-Mar-14
HELIUM CAPITAL (ESPERANCE)	Very High	CDO	6.13%	NR	\$1,800,000	\$347,317	\$612,900	\$265,583	20-Mar-13
MANAGED ACES CLASS 11A PARKES	Very High	CDO	0.00%	NR	\$1,000,000	\$2,934	\$162	-\$2,772	20-Jun-15
MANAGED ACES CLASS 1A PARKES	Very High	CDO	0.00%	NR	\$1,050,000	\$10,269	\$4,410	-\$5,859	20-Jun-15
ZIRCON FINANCE COOLANGATTA	Early Term.	CDO	0.00%	NR	\$1,500,000	\$9,095	\$750,000	\$740,905	20-Sep-14
ZIRCON FINANCE MERIMBULA	Early Term.	CDO	0.00%	NR	\$500,000	\$1,663	\$250,000	\$248,337	20-Jun-13
ZIRCON FINANCE MIAMI	Early Term.	CDO	0.00%	NR	\$850,000	\$1	\$425,000	\$424,999	20-Mar-17
					\$12,650,000	\$569,369	\$4,349,212	\$3,779,843	
UNITS IN LOCAL GOVT HOUSE		UNITS	0.00%		\$230,645	\$230,645	\$230,645	\$0	
TOTAL FUNDS INVESTED					\$84,657,824	\$72,577,193	\$76,357,036	\$3,779,843	

CREDIT RISK COMPARISON

CREDIT RISK	PURCHASE PRICE \$	CURRENT ESTIMATED MARKET VALUE	ACTUAL PROPORTION	MAX. % AMOUNT IN TOTAL PORTFOLIO	Comments
AAA	\$2,000,000	\$2,000,000	3%	100%	
AA	\$4,000,000	\$4,000,000	5%	80%	
AA-	\$50,477,179	\$50,477,179	66%	80%	
A+	\$7,800,000	\$7,800,000	10%	50%	
A	\$1,500,000	\$1,500,000	2%	50%	
A-	\$4,000,000	\$4,000,000	5%	50%	
BBB+	\$2,000,000	\$2,000,000	3%	20%	
NR	\$12,650,000	\$4,349,212	6%		Purchased Prior To Policy Change
UNITS IN LOCAL GOVT: HOUSE	\$230,645	\$230,645	0%	0.1%	Council Decision
TOTAL	\$84,657,824	\$76,357,036	100%		

C12/6000 - INVESTMENT STATEMENTS (REC)
DIVERSIFICATION RISK

INSTITUTION	INVESTMENT TYPE	S & P RATING	CURRENT ESTIMATED MARKET VALUE	ACTUAL PROPORTION	INSTITUTION PROPORTION	MAX. % WITH ANY ONE INSTITUTION	Comments
ADELAIDE BANK (TERM)	TERM	A-	1,200,000	1.57%	1.57%	20%	
ANZ BANK (TERM)	TERM	AA-	2,400,000	3.14%	3.14%	20%	
BANKWEST (11AM)	11AM	AA-	1,002,380	1.31%		20%	
BANKWEST (TERM)	TERM	AA-	9,474,410	12.41%	13.72%	20%	
BANK OF QUEENSLAND (FLOAT RATE TD)	FRTD	BBB+	2,000,000	2.62%	2.62%	10%	Purchased Prior To Policy Change
BENDIGO AND ADELAIDE BANK (TERM)	TERM	A-	2,800,000	3.67%	3.67%	15%	
COMMONWEALTH BANK (TERM)	TERM	AA-	3,500,000	4.58%		20%	
COMMONWEALTH BANK (COVERED BOND)	BOND	AAA	2,000,000	2.62%		20%	Purchased Prior To Policy Change
COMMONWEALTH BANK (RETAIL BOND)	BOND	AA	2,000,000	2.62%		20%	
COMMONWEALTH BANK (FRN)	FRN	AA	2,000,000	2.62%	12.44%	20%	
ING BANK	FRTD	A	500,000	0.65%	0.65%	15%	
MACQUARIE BANK (TERM)	TERM	A	1,000,000	1.31%	1.31%	15%	
NAB (FRN)	FRN	AA-	4,000,000	5.24%		20%	Purchased Prior To Policy Change
NAB (TERM)	TERM	AA-	8,300,000	10.87%	16.11%	20%	
RABODIRECT (TERM)	TERM	AA	-	0.00%	0.00%	15%	
ST GEORGE BANK (TERM)	TERM	AA-	11,000,000	14.41%	14.41%	20%	
SUNCORP METWAY LTD (TERM)	TERM	A+	7,800,000	10.22%	10.22%	15%	
WESTPAC (MAXI BONUS 1)	11AM	AA-	102	0.00%		20%	
WESTPAC (MAXI BONUS 2)	11AM	AA-	287	0.00%		20%	
WESTPAC (MAXI DIRECT)	11AM	AA-	-	0.00%		20%	
WESTPAC (TERM)	TERM	AA-	10,300,000	13.49%		20%	
WESTPAC (COVERED BOND)	BOND	AA-	500,000	0.65%		20%	Purchased Prior To Policy Change
WESTPAC BANK	ADI	AA-	-	0.00%	14.14%	20%	
ADELAIDE BANK	ADI	A-	-	0.00%	0.00%	10%	
CDO - Various	CDO		4,349,212	5.70%	5.70%		Purchased Prior To Policy Change
UNITS IN LOCAL GOVT HOUSE	UNITS		230,645	0.30%	0.30%		
			76,357,036	100%	100%		

MATURITY COMPARISON

TERM to MATURITY	CURRENT ESTIMATED MARKET VALUE	ACTUAL PROPORTION	MAX. % IN ANY ONE YEAR	Comments
MUNICIPAL & TRUST FUNDS				
< 1 year	38,158,703	100%	100%	
	38,158,703	100%		
RESERVE FUNDS				
< 1 year	21,793,521	58%	100%	
< 2 years	2,189,000	6%	80%	
< 3 years	4,872,312	13%	80%	Purchased Prior To Policy Change
< 4 years	4,000,000	11%	40%	
< 5 years	4,925,000	13%	40%	
> 5 years	-	0%	20%	
	37,779,833	100%		

Since 30 June 2009, all of the City's Authorised Deposit Taking Institutions (ADIs) deposits worth \$17,500,000 have been repurchased by the issuing banks. These had been written down in previous financial years, to a book value of \$17,204,375. A book profit of \$295,625 has therefore been realised.

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 CDOs shown for June are based on valuations obtained from CPG Research and Advisory (CPG) as at 30 June 2012. When compared to the valuations used as at 30 June 2011, valuations obtained from CPG as at 30 June 2012 show that CDOs have increased in value by \$3,779,843.

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 any 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. The recent repayment of the Ethical Green CDO at 64.9%, Omega Henley CDO at 100% of its original value and maturity of Magnolia Flinders paying 100%, has resulted in significant values 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.

CDOs Reconciliation	Amount (\$)
CDOs Remaining at 30 June 2012	\$ 6,350,000.00
CDOs Remaining at 30 June 2012 (Lehmann Arranged)	\$ 5,300,000.00
CDOs (Full Redemption)	\$ 2,385,000.00
CDOs (Partial Redemption)	\$ 649,464.01
CDOs (Defaulted / Written Off)	\$ 6,535,535.99
	\$ 21,220,000.00

Credit Ratings and Credit Events

22 credit events impacting the City's CDO investments have now been recorded to date. The Companies involved are ResCap, 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 \$6.536m 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 total loss of the Corsair (Cayman Is) Torquay CDO with a face value of \$1.885m.
- The total loss of the Managed Aces Parkes IIA CDO with a face value of \$1.0m.

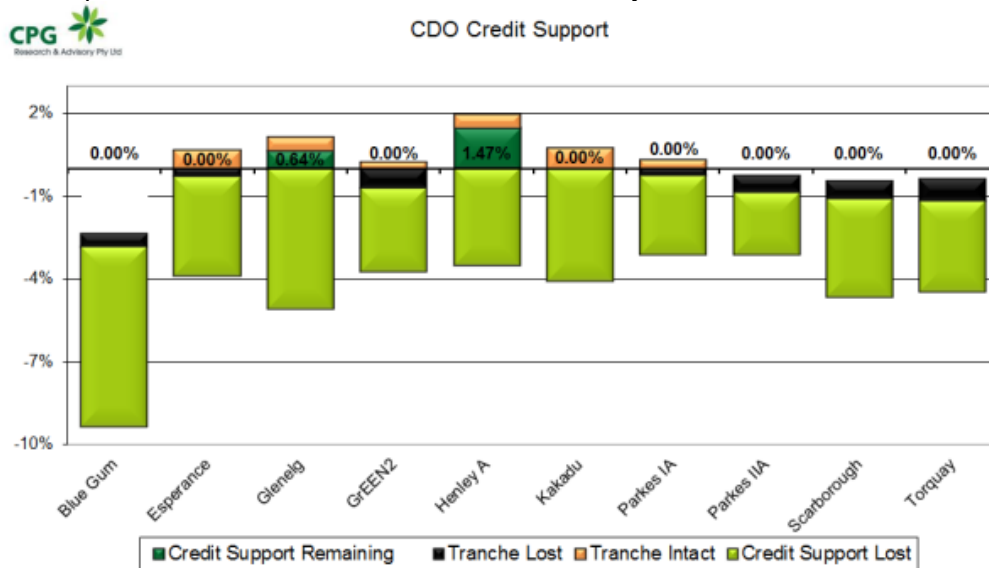
C12/6000 - INVESTMENT STATEMENTS (REC)

- The partial loss of 35.1% (\$0.351m) of the Ethical Green Limited CDO with a face value of \$1.0m.

Partial Losses to date:

- The partial loss of 30.3% (\$0.545m) of the Helium Capital Esperance CDO with a face value of \$1.8m.
- The partial loss of 41.9% (\$0.440m) of the Managed Aces Class Parkes 1A CDO with a face value of \$1.05m.
- The partial loss of 10.6% (\$0.159m) of the Corsair (Cayman Is) Kakadu CDO with a face value of \$1.5m.

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



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.

C12/6000 - INVESTMENT STATEMENTS (REC)

CDO Arranger Face Value	No. of Credit Events	Remaining Credit Support before FIRST Loss of Principal	Remaining Credit Support before TOTAL Loss of Principal	Comments
Aphex Glenelg Arranger: Nomura International \$2.0m Matures 22/12/14	8 credit events: ResCap, Takefuji, AIFUL, Thomson, Lehman's, Landsbanki, CIT Group & PMI Group.	1.0	1.8	Very high likelihood of total default.
Beryl Finance Global Bank Note Arranger: Lehman Brothers \$2.45m Matures 20/9/14	Nil credit events:	1	N/A	Terminated due to Lehman bankruptcy – In legal dispute re collateral
Corsair Cayman Kakadu Arranger: J.P. Morgan Australia \$1.5m Matures 20/3/14	12 credit events: ResCap, AMBAC Assurance, AIFUL, XL Capital Assurance, Freddie Mac, Fannie Mae, Lehman's, WaMu, Kaupthing, CIT Group, Anglo Irish Bank & PMI Group	-0.1	1.8	Partial loss (10.6%) of principal has occurred. Very high likelihood of total default.
Corsair Cayman Torquay Arranger: J.P. Morgan Australia \$1.885m Matures 20/6/13	12 credit events: ResCap, AMBAC Assurance, AIFUL, XL Capital Assurance, Idearc, Freddie Mac, Lehman, WaMu, Glitnir, Kaupthing, CIT Group & PMI Group	-3.0	0	Defaulted.
Ethical Limited Green Arranger: J.P. Morgan Australia \$1.0m Matured 20/3/12	9 credit events: AMBAC Assurance, XL Capital Assurance, Idearc, Lehman's, WaMu, Glitnir, Kaupthing, CIT Group & PMI Group	-0.9	1.75	Partial loss (35.1%) of principal has occurred. Balance of CDO was repaid.
Helium Capital Esperance Arranger: Merrill Lynch International \$1.80m Matures 20/3/13	7 credit events: PMI Group, Idearc, Tribune, Thomson, Lehman's, AMBAC Assurance & CIT Group.	-0.5	1.2	Partial loss (30.3%) of principal has occurred. Very high likelihood of total default.

C12/6000 - INVESTMENT STATEMENTS (REC)

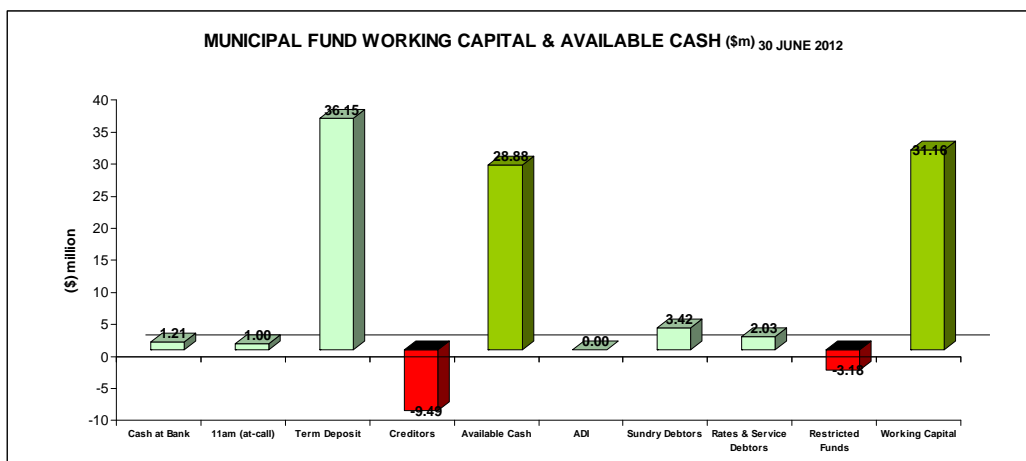
CDO Arranger Face Value	No. of Credit Events	Remaining Credit Support before FIRST Loss of Principal	Remaining Credit Support before TOTAL Loss of Principal	Comments
Magnolia Flinders Arranger: Credit Suisse First Boston \$2.0m Matured 20/3/12	Nil CDO defaults:	N/A	N/A	Repaid in full upon maturity on 20 March 2012
Managed Aces Class Parkes 1A Arranger: Morgan Stanley \$1.05m Matures 20/6/15	10 credit events: ResCap, AMBAC Assurance, AIFUL, XL Capital Assurance, Freddie Mac, Fannie Mae, Lehman's, WaMu, CIT Group & PMI Group.	-0.8	1.1	Partial loss (41.9%) of principal has occurred. Very high likelihood of total default.
Managed Aces Class Parkes 11A Arranger: Morgan Stanley \$1.0m Matures 20/6/15	10 credit events: ResCap, AMBAC Assurance, AIFUL, FGIC, XL Capital Assurance, Freddie Mac, Fannie Mae, Lehman's, WaMu & CIT Group.	-2.8	0	Defaulted.
Omega Capital Class A Henley Arranger: BNP Paribas \$0.385m Matures 22/6/12	8 credit events: ResCap, AMBAC Assurance, Freddie Mac, Fannie Mae, Thomson, Lehman's, CIT Group & PMI Group	2.3	3.0	Repaid in full upon maturity on 22 June 2012.

C12/6000 - INVESTMENT STATEMENTS (REC)

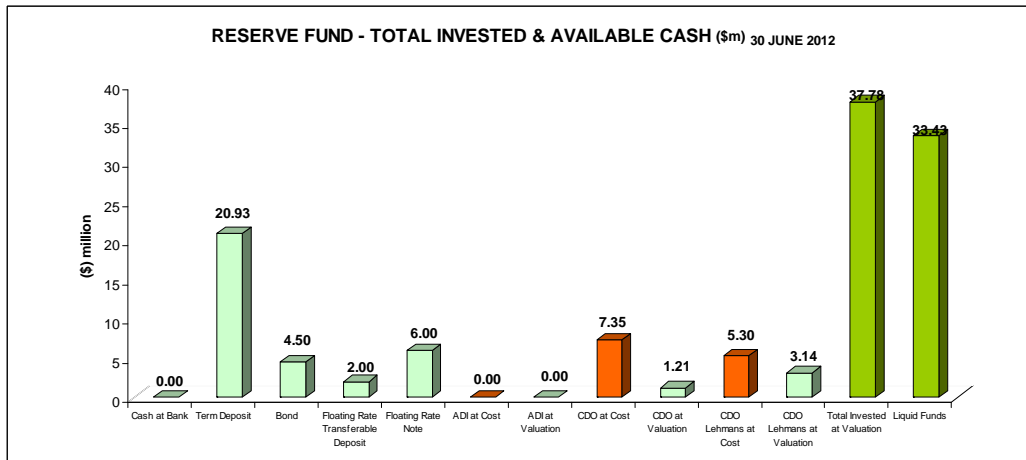
CDO Arranger Face Value	No. of Credit Events	Remaining Credit Support before FIRST Loss of Principal	Remaining Credit Support before TOTAL Loss of Principal	Comments
Zircon Finance Coolangatta Arranger: Lehman Brothers \$1.50m Matures 20/9/14	8.0 credit events: Ambac Assurance, Aiful, FGIC, Freddie Mac,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

Net Funds Held

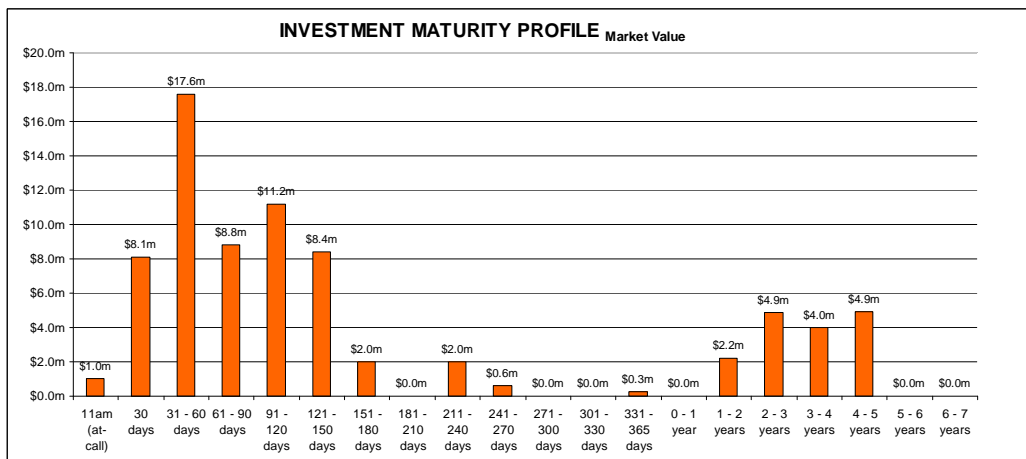
The graphs below summarise the Municipal Fund working capital and available cash and the funds held in the Reserve Fund at purchase price and last valuation, at 30 June 2012.



C12/6000 - INVESTMENT STATEMENTS (REC)



The graph below summarise the maturity profile of the City's investments at market value as at 30 June 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 daily contact with the City's investment advisors, CPG Research and Advisory.

C12/6000 - INVESTMENT STATEMENTS (REC)**STATUTORY AND LEGAL IMPLICATIONS**

The following legislation is relevant to this report:

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

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

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

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

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

FINANCIAL IMPLICATIONS

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

- Municipal and Trust Funds was \$2,723,814 against a revised budget of \$2,240,000. This represents a \$483,814 positive variance.
- Reserve Funds was \$2,561,515 against a revised budget of \$1,500,000. This represents a \$1,061,515 positive variance.

Investment earnings received in respect to CDO investments since 1 July 2007 has been \$4.973m and \$2.946m in respect to ADIs.

The City's revenue from investment earnings is expected to decrease in the foreseeable future, as the RBA continues to cut the cash rate and the new restrictions that have been placed by regulation that limits the type of investments in which the City is permitted to invest.

In accordance with the Council's Investment Policy, any surplus investment returns derived as a result of investing when compared to the cash rate will be transferred to the Risk Management Reserve.

C12/6000 - INVESTMENT STATEMENTS (REC)

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

STRATEGIC, RISK AND ENVIRONMENTAL MANAGEMENT IMPLICATIONS

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. 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.

ALTERNATE OPTIONS AND THEIR IMPLICATIONS

Not applicable.

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

Whilst the situation regarding the CDO investments remains tenuous with the loss of four, 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 on a monthly basis. Based on independent advice received from various sources, the Council's policy is to continue to hold these investments to maturity unless opportunities to sell at realistic values are presented.

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

That the Investment Report for the month of June 2012 be noted.

At 7.42pm the Deputy Mayor submitted the motion, which was declared

CARRIED EN BLOC (10/0)

C12/6001 – SCHEDULE OF ACCOUNTS FOR JUNE 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"/>	Executive	<i>The substantial direction setting and oversight role of the Council. e.g. adopting plans and reports, accepting tenders, directing operations, setting and amending budgets.</i>
<input type="checkbox"/>	Legislative	<i>Includes adopting local laws, town planning schemes & policies.</i>
<input type="checkbox"/>	Review	<i>When the Council 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 JUNE 2012 (REC) (ATTACHMENT)

KEY ISSUES / SUMMARY

This report presents details of the payments made in the month of June 2012 to suppliers for the provision of goods and services 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 June 2012, [6001 June 2012](#) including Payment Registers numbers Cheques **291 to 297** and Electronic Funds Transfers **245 to 251** were distributed to the Members of Council on 3 August 2012.

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

Supplier Name	Remittance Number	Remittance Details	Amount
Adesa Services	Chq 049009 & E030139	Replaced partial roof at Leeming Recreation Centre	\$249,914.50
Asphalt Surfaces Pty Ltd	E029584, E029741 & E029979	Road resurfacing	\$39,203.55
Badge Constructions (WA) Pty Ltd	E029659	Progress claim 12 for redevelopment of Melville Aquatic Fitness Centre	\$79,410.79
Belgravia Leisure	E029809 & E030059	Point Walter green fees for May & June 2012	\$70,965.60
Boral Construction	E029716 & E029945	Road resurfacing	\$846,809.44
Brajkovich Demolition Pty Ltd	E029616	Demolition of Carrawatha Primary School & 35 St Michael Tce Mt Pleasant former Child Health Centre	\$46,134.00
Canon Australia Pty Ltd	E029606, E029785 & E030029	Photocopying charges & 1 Multifunction Printer/Photocopier	\$26,538.59
Carringtons Traffic Services WA	E029688, E029899 & E030186	Traffic management	\$49,015.47
City of Cockburn	E029721 & E029950	Tip fees for May 2012 & waste disposal fees for June 2012	\$191,064.21
Cleanaway	E029722 & E029951	Recyclable fees for May & June 2012	\$175,963.88
Corporate Express	E029764 & E030007	Office & stationery supplies	\$85,024.08
CPD Group	E029895 & E030181	Building maintenance	\$76,445.16
Crabclaw Holdings Pty Ltd	E029704, E029801, E029932 & E030047	Building maintenance	\$59,235.57

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

Supplier Name	Remittance Number	Remittance Details	Amount
Data#3 Limited	E029817 & E030067	Software licences	\$111,600.24
Davro Interiors Pty Ltd	Chq 049314	Book shelving for Willagee Library	\$43,784.15
Dickies Tree Service	E029724 & E029954	Tree lopping services	\$396,096.75
Digital Mapping Solutions	E030151	Consultancy & software	\$25,495.80
Downer EDI works Pty Ltd	E029293, E029655 & E030115	Road resurfacing	\$1,517,763.16
Dowsing Concrete	E029691, E029709, E029902 & E030188	Concrete works	\$707,740.09
Elexacom	E029627, E029819 & E030072	Electrical services	\$37,792.48
Excel Kerbing	Chqs 048998 & 049663	Semi mountable kerbing	\$36,533.20
Flexi Staff	E029590, E029755, E029928 & E029996	Temporary employment	\$126,811.10
Forpark Australia	E029727 & E029956	Equipment maintenance	\$40,646.10
Garden Army	Chqs 049010 & 049683	Gardening	\$34,842.50
GHD Pty Ltd	E029652 & E030107	Progress fee for John Connell Reserve ground water investigation	\$61,493.30
Globe Australia	E029862 & E030136	Fertilisers for reserves	\$27,330.60
Greenspan-Mce	E029593 & E030003	Replaced controller at Woolstores & upgrade of pump system at Piney Lakes Reserve	\$55,152.90
Greenway Enterprises	E029683, E029892 & E030176	Hand tools	\$29,196.57
Hydroquip Pumps	E030006	Repairs to pumps	\$120,715.10
Integrated Logistics Support (Australia) Pty Ltd	Chq 049679	Consultancy for Works program	\$42,372.00
JMG Air Conditioning & Electrical Services Pty Ltd	E029863 & E030137	Service to air conditioners	\$27,276.90
Landmark Engineering & Design	E029743 & E029982	Park furniture	\$32,742.50
Marketforce	E030118	Advertisements	\$28,483.89
Melville Toyota	E030040	Purchase of Hilux Crew Cab	\$38,130.31
Metrocount	E029751	Vehicle monitoring system	\$26,481.40
Natural Area Management & Services	E029685, E029894 & E030179	Environmental weed control & purchase of seedlings	\$297,744.48
Paperbark Technologies	E029827 & E030084	Mapping of street trees	\$49,915.00
Programmed Maintenance Services	E029754	Building maintenance	\$40,489.89
Public Transport Authority	E029821	Upgrade of bus shelters	\$51,285.00
Quayclean Australia Pty Ltd	E030103	Cleaning services	\$30,489.59
Rhysco Electrical Services	E029651, E029845 & E030105	Electrical services	\$115,431.24
Robinson Buildtech	E029579, E029737, E029925 & E029974	Building maintenance	\$156,112.74

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

Supplier Name	Remittance Number	Remittance Details	Amount
Southern Metropolitan Regional Council	E029292, E029623, E029710, E29934 & E030069	MSW gate fees for April, May & June 2012, green waste gate fees for April & May 2012 & RRRC loan repayments for June quarter	\$1,481,609.67
Spectrum Fire & Security	E029657, E029851 & E030121	Fire services	\$67,841.95
Synergy	Chqs 048978 & 049253	Electricity billing	\$59,038.45
Technology One Ltd	E029692 & E030189	25 additional licenses for Capital Works & Consultancy for Capital Project Implementation	\$38,672.39
Titan Ford	E029603, E029780 & E030024	Purchase of 5 Ford PK Ranger utilities & 1 Ford Focus hatchback	\$181,670.04
Total Eden	E029604, E029702, E029781, E029931 & E030025	Reticulation parts	\$56,748.78
Town of East Fremantle	Chqs 049272 & 049633	Road resurfacing at Petra Street	\$430,398.06
Tree Amigos Tree Surgeons	E029843 & E030102	Tree lopping	\$203,238.96
Tree Planting & Watering	E029667 & E029869	Watering of street trees	\$29,067.55
Water Corporation	Chqs 048991, 049285 & 049641	Water charges	\$36,837.82
WC Convenience Management	Chq 049334	Automated public toilet at Applecross Foreshore	\$87,248.70
Western Australian Local Government Association	E029626, E029818 & E030071	Advertisements	\$67,437.99
Zacco Pty Ltd	E029585, E029742, E029926 & E029980	Window maintenance	\$25,430.02

C12/6001 – SCHEDULE OF ACCOUNTS FOR JUNE 2012 (REC) (ATTACHMENT)**PUBLIC CONSULTATION/COMMUNICATION**

Not applicable.

CONSULTATION WITH OTHER AGENCIES / CONSULTANTS

Not applicable.

STATUTORY AND LEGAL IMPLICATIONS

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

FINANCIAL IMPLICATIONS

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

STRATEGIC, RISK AND ENVIRONMENTAL MANAGEMENT IMPLICATIONS

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

POLICY IMPLICATIONS

Not applicable.

ALTERNATE OPTIONS AND THEIR IMPLICATIONS

Not applicable.

CONCLUSION

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

At 7.42pm Cr Macphail left the meeting and returned at 7.44pm.

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

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

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

CARRIED EN BLOC (10/0)

C12/6002 – FINANCIAL STATEMENTS FOR JUNE 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"/>	Executive	<i>The substantial direction setting and oversight role of the Council. e.g. adopting plans and reports, accepting tenders, directing operations, setting and amending budgets.</i>
<input type="checkbox"/>	Legislative	<i>Includes adopting local laws, town planning schemes & policies.</i>
<input type="checkbox"/>	Review	<i>When the Council 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

<ul style="list-style-type: none"> • This report presents the preliminary Financial Statements for the year ending 30 June 2012 and recommends that they be noted by the Council. • Determination of accrued income, expenditure, carry forwards and reserve transfers for 2011/12 is still in the process of being finalised. It is anticipated that this will have an impact on the overall final result for the year ending 30 June 2012. • This report presents the budget amendments for the year ending 30 June 2012 and recommends that they be adopted by Absolute Majority. • This report presents the debts that have been written off in June 2012 and recommends that they be noted by the Council. • Money expended in an emergency: <ul style="list-style-type: none"> ➢ As a result of the fire at the Civic Centre in 2011, unbudgeted expenditure of \$443,115 has been expended from Municipal funds since the day of the fire, the majority of which will be recovered from the insurance claim in 2012/13. ➢ As a result of the fire at Perth Engineering and Maintenance in 2012, unbudgeted expenditure of \$169,686 has been expended from Municipal funds for the diversion of waste recyclable materials to Cleanaway. The extra diversion costs to Cleanaway will be recoverable from our insurers.

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

BACKGROUND

The preliminary Financial Statements for the year ending 30 June 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 June 2012, a preliminary net operating positive variance of \$8.85m was recorded against operating and \$13.22m was recorded against capital. Determination of accrued income, expenditure, carry forwards and Reserve Transfers for 2011/12 is still in the process of being finalised. It is anticipated that this will have an impact on the overall final result for the year ending 30 June 2012.

Variations

A summary of variances is included below and comments are provided in attachment [6002H June 2012](#).

	June Actual \$	YTD Budget \$	YTD Actual \$	Variance \$	Variance %	Annual Budget \$	Annual Revised Budget \$
Revenues							
Governance	124,488	2,306,006	2,421,166	115,161	5%	1,410,890	2,306,006
General Purpose Funding	1,487,034	8,328,902	9,612,003	1,283,101	15%	8,068,771	8,328,902
Transport	332,702	5,169,843	4,563,698	(606,145)	-12%	4,379,770	5,169,843
	3,238,540	46,962,121	47,724,774	762,653	2%	41,010,932	46,962,121
Expenses							
Governance	(606,124)	(17,171,032)	(15,755,823)	1,415,209	-8%	(15,632,267)	(17,171,032)
General Purpose Funding	253,681	(3,003,840)	(957,677)	2,046,163	-68%	(2,903,840)	(3,003,840)
Law, Order, Public Safety	(359,585)	(3,669,087)	(3,362,908)	306,180	-8%	(3,598,560)	(3,669,087)
Health	(76,791)	(945,833)	(878,847)	66,986	-7%	(937,833)	(945,833)
Education & Welfare	(488,279)	(5,634,239)	(5,054,002)	580,238	-10%	(5,460,056)	(5,634,239)
Community Amenities	(1,796,040)	(18,944,691)	(16,807,850)	2,136,841	-11%	(18,233,961)	(18,944,691)
Recreation and Culture	(2,722,698)	(25,857,181)	(24,626,905)	1,230,276	-5%	(25,508,929)	(25,857,181)
Transport	(1,136,050)	(10,161,989)	(9,405,146)	756,843	-7%	(10,060,564)	(10,161,989)
Other Property and Services	(67,619)	(3,348,013)	(3,190,534)	157,478	-5%	(3,109,231)	(3,348,013)
	(7,002,486)	(88,786,455)	(80,093,899)	8,692,556	-10%	(85,495,791)	(88,786,455)

Revenue

\$51.75m in Rates has been raised to 30 June 2012. This is compared with a revised annual budget of \$51.81m, resulting in a small negative variance of \$60K.

Money Expended in an Emergency and Unbudgeted Expenditure

The fire at the Civic Centre in 2011 resulted in unbudgeted expenditure of \$443,115 being expended from the City's Municipal funds. It is anticipated that these costs less the City's \$10,000 insurance excess and any betterment, will be recovered from our insurers in the 2012/13 financial year. Officers will continue to report to Council on the progress of expenditures. The reinstatement works have now been completed.

Some of the major expenditure items included:

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

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

In addition to the above the fire at Perth Engineering and Maintenance in 2012 resulted in unbudgeted over expenditure of \$169,686 being expended from Municipal funds for the diversion of waste recyclable materials to Cleanaway. The extra diversion costs to Cleanaway less the \$10,000 insurance excess may be recoverable from our insurers.

Budget Amendments

Details of Budget Amendments requested during the month of June 2012 are shown in attachment [6002J June 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 \$625,314 were collected over the course of the month. Rate collection progress for the month of June was 0.5% below target. 97.5% of 2011/12 rates has been collected as at 30 June 2012, which compares favourably to the 97.2% collected this same time last year.

Total sundry debtor balances increased by \$364,839 over the course of the month. This is due to the Department of Broadband, Communications and the Digital Economy being invoiced for \$215,099 and the Department of Training invoiced for \$156,530. The 90+ day's debtor balance decreased by \$6,597 due to Department of Transport making a payment of \$200,182 in June.

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

DESCRIPTION	LINK
Rate Setting Statement – June 2012	6002A June 2012
Statement of Financial Activity – June 2012	6002B June 2012
Representation of Net Working Capital – June 2012	6002E June 2012
Reconciliation of Net Working Capital – June 2012	6002F June 2012
Notes on Operating Statements reporting on variances of 10% or greater – June 2012	6002H June 2012
Details of Budget Amendments requested – June 2012	6002J June 2012
Summary of Rates Debtors – June 2012	6002L June 2012
Graph Showing Rates Collections – June 2012	6002M June 2012
Summary of General Debtors aged 90 Days Old or Greater – June 2012	6002N June 2012
Detail of Debts Written Off for the Month – June 2012	6002O June 2012

C12/6002 – FINANCIAL STATEMENTS FOR JUNE 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 as shown in attachment [6002O June 2012](#). These are debts are very small in amount and we have been advised by our debt collectors that they are not economical to recover or the owner is unable to be located.

An amount of \$4,463.30 has been written off in the month of June 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 JUNE 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

Preliminary 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 JUNE 2012 (AMREC) (ATTACHMENTS)

CONCLUSION

The attached preliminary financial reports reflect a positive financial position of the City of Melville as at 30 June 2012. The determination of the end of year surplus will depend on the accrued income, expenditure, carry forwards and Reserve Transfers for 2011/12, which are still to be finalised. It is anticipated that this will have an impact on the overall final result for the year ending 30 June 2012.

OFFICER RECOMMENDATION & COUNCIL RESOLUTION (6002)

ABSOLUTE MAJORITY

At 7.50pm Cr Willis moved, seconded Cr Macphail -

That the Council:

- Note the preliminary Rate Setting Statement and Statements of Financial Activity for the financial year ending 30 June 2012 as detailed in the following attachments:**

DESCRIPTION	LINK
Rate Setting Statement – June 2012	6002A June 2012
Statement of Financial Activity – June 2012	6002B June 2012
Representation of Net Working Capital – June 2012	6002E June 2012
Reconciliation of Net Working Capital – June 2012	6002F June 2012
Notes on Operating Statements reporting on variances of 10% or greater – June 2012	6002H June 2012
Details of Budget Amendments requested – June 2012	6002J June 2012
Summary of Rates Debtors – June 2012	6002L June 2012
Graph Showing Rates Collections – June 2012	6002M June 2012
Summary of General Debtors aged 90 Days Old or Greater – June 2012	6002N June 2012
Detail of Debts Written Off – June 2012	6002O June 2012

- Adopt by Absolute Majority Decision the budget amendments, as listed in the Budget Amendment Reports for June 2012, as detailed in attachment [6002J June 2012](#).**
- Note the Granting of concession or writing off debts owed to the Council, as listed in the Details of Debts Written Off for June 2012, as detailed in attachment [6002O June 2012](#).**

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

CARRIED BY ABSOLUTE MAJORITY (10/0)

14. MOTIONS OF WHICH PREVIOUS NOTICE HAS BEEN GIVEN**14.1 Recording Ordinary and Special Meetings of Council**

The following motion with notice was received from Cr Nicholson.

Reasons for Motion

Cr Nicholson provided the following reasons in support of the motion -

“For greater clarity; better governance; that ratepayers and others will be able to access the recording (subject to a Council Policy) to confirm voting and better understand the reasoning behind Council decision making and the extent of analysis and debate which goes into agenda items prior to voting.

Audio recording will also make it easier for the City's administrative staff to prepare the Council's written minutes.

An example of WA Councils that currently record their meetings is listed below:

City of South Perth
City of Perth
City of Wanneroo
City of Stirling
Town of Vincent
City of Joondalup”

COUNCIL RESOLUTION**APPROVAL**

At 7.50pm Cr Nicholson moved, seconded Cr Pazolli –

At 7.52pm Dr Silcox left the meeting and returned at 7.54pm.

That the Council:

- 1. Request that the Chief Executive Officer prepare a report to the Council advising the statutory, equipment and cost implications to permit the audio recording of all Ordinary and Special Council Meetings.**
- 2. Request the Chief Executive Officer to provide the report to the October 2012 Ordinary Meeting of the Council.**

At 8.05pm the Deputy Mayor submitted the motion, which was declared

CARRIED (7/3)

Cr Pazolli requested that the votes be recorded.

For: Cr Barton, Cr Foxtton, Cr Hill, Cr Nicholson, Cr Pazolli, Cr Taylor-Rees, Cr Willis.

Against: Deputy Mayor C Robartson, Cr Macphail, Cr Reidy.

15. EN BLOC ITEMS

At 8.05pm Cr Willis moved, seconded Cr Reidy -

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

At 8.05pm the Deputy Mayor submitted the motion, which was declared

CARRIED (10/0)

16. MOTIONS WITHOUT NOTICE BY ABSOLUTE MAJORITY OF THE COUNCIL

Nil.

17. IDENTIFICATION OF MATTERS FOR WHICH MEETING MAY BE CLOSED

At 8.05pm Cr Reidy moved, seconded Cr Foxtton -

That the meeting be closed to the public to permit discussion on confidential matters – Item P12/3322 relating to Consideration of Possible Purchase of Property at 412 Canning Highway, Attadale and Options for 410 Canning Highway, Attadale and Item P12/3325 relating to Consideration of Possible Purchase of Western Power Land 58 – 60 Murray Road, Bicton and Proposed Sale of 62 Murray Road, Bicton covered under Section 5.23 (2) (c) & (h) of the Local Government Act 1995, and Local Government (Administration) Regulations 1996 Clause 4A relating to the sale or purchase of property.

At 8.05pm the Deputy Mayor submitted the motion, which was declared

CARRIED (10/0)

At 8.06pm members of the public and members from the Press left the meeting.

At 8.06pm Cr Taylor-Rees, Cr Pazolli and Cr Reidy left the meeting.

CONFIDENTIAL ITEM P12/3322 – CONSIDERATION OF POSSIBLE PURCHASE OF PROPERTY AT 412 CANNING HIGHWAY, ATTADALE AND OPTIONS FOR 410 CANNING HIGHWAY, ATTADALE

OFFICER RECOMMENDATION & COUNCIL RESOLUTION (3322)

APPROVAL

At 8.07pm Cr Barton moved, seconded Cr Foxton –

At 8.07pm Cr Taylor-Rees returned to the meeting.

At 8.08pm Cr Reidy and Cr Pazolli returned to the meeting.

That the Council authorise the Chief Executive Officer to take the actions identified in Confidential Attachment “A” to this report with respect to the possible sale of property located at 410 Canning Highway Attadale, being described on the Certificate of Title as Lot 14 on Plan 12627 Volume 1109 Folio 37, and/or the consideration of the possible purchase of 412 Canning Highway Attadale, being described on the Certificate of Title as Lot 13 on Diagram 10383 Volume 1051 Folio 555.

At 8.20pm the Deputy Mayor submitted the motion, which was declared

CARRIED (8/2)

Cr Pazolli requested that the votes be recorded.

For: Deputy Mayor C Robartson, Cr Barton, Cr Foxton, Cr Hill, Cr Macphail, Cr Reidy, Cr Taylor-Rees, Cr Willis.

Against: Cr Nicholson, Cr Pazolli.

CONFIDENTIAL ITEM P12/3325 – CONSIDERATION OF PURCHASE OF WESTERN POWER LAND 58-60 MURRAY ROAD, BICTON AND PROPOSED SALE OF 62 MURRAY ROAD, BICTON

OFFICER RECOMMENDATION (3325)

APPROVAL

At 8.21pm Cr Taylor-Rees moved, seconded Cr Barton -

That the Council endorses the course of action identified within Confidential Attachment “A” concerning 58-60 Murray Road being described on the Certificate of Title as Lot 87 on Plan 1547 Volume 38 Folio 238A and 62 Murray Road Bicton being described on the Certificate of Title as Lot 147 on Diagram 24310 Volume 1226 Folio 269.

Amendment

At 8.38pm Cr Pazolli moved –

That in Item P12/3325 Confidential Attachment A, Clause 3 and 4 be deleted.

The amendment lapsed due to the lack of a seconder.

CONFIDENTIAL ITEM P12/3325 – CONSIDERATION OF PURCHASE OF WESTERN POWER LAND 58-60 MURRAY ROAD, BICTON AND PROPOSED SALE OF 62 MURRAY ROAD, BICTON**OFFICER RECOMMENDATION & COUNCIL RESOLUTION****APPROVAL**

At 8.44pm the Deputy Mayor submitted the Officer Recommendation -

That the Council endorses the course of action identified within Confidential Attachment "A" concerning 58-60 Murray Road being described on the Certificate of Title as Lot 87 on Plan 1547 Volume 38 Folio 238A and 62 Murray Road Bicton being described on the Certificate of Title as Lot 147 on Diagram 24310 Volume 1226 Folio 269.

At 8.44pm the Deputy Mayor declared the motion

CARRIED (9/1)

Cr Nicholson requested that the votes be recorded.

For: Deputy Mayor C Robartson, Cr Barton, Cr Foxton, Cr Hill, Cr Macphail, Cr Pazolli, Cr Reidy, Cr Taylor-Rees, Cr Willis.
Against: Cr Nicholson.

At 8.46pm Cr Reidy moved, seconded Cr Macphail -

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

At 8.46pm the Deputy Mayor submitted the motion, which was declared

CARRIED (10/0)

No members of the Public or the Press returned to the meeting.

18. CLOSURE

There being no further business to discuss, the Deputy Mayor declared the meeting closed at 8.46pm.