

**MINUTES
OF THE
ORDINARY MEETING OF COUNCIL
HELD ON
20 MARCH 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, 20 MARCH 2012.

1. OFFICIAL OPENING

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

Affirmation of Civic Duty and Responsibility

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

2. PRESENT

His Worship the Mayor, Russell Aubrey

COUNCILLORS

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

WARD

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

3. IN ATTENDANCE

Dr S Silcox	Chief Executive Officer
Mr M Tieleman	Director Corporate Services
Ms C Young	Director Community Development
Mr S Cope	Director Urban Planning
Mr J Christie	Director Technical Services
Mr L Hitchcock	Executive Manager Legal Services
Ms K Johnson (Until 8.25pm)	Executive Manager Organisational Development
Mr P Prendergast	Manager Planning & Development Services
Mr B Taylor	Manager Information, Technology & Support
Mr J Clark	Governance & Compliance Program Manager
Ms D Beilby	Minute Secretary

At the commencement of the meeting there were 13 members of the public and two members from the Press in the Public Gallery.

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

Nil.

4.2 APPROVED LEAVE OF ABSENCE

Nil.

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

Nil.

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

Nil.

6. QUESTION TIME**6.1 Marie-Dominique O'Connell of Attadale**Question 1

Would it be possible if the Council would consider renaming the portion of Davis Road between Waddell and Stock Road only? NOT Stock and Moreing as all houses on Stock and Moreing are Davis Road facing and have Davis Road addresses?

The Manager Planning and Development Services responded by saying that between Stock Road and Moreing Road there is at least one property that requires a Davis Road address.

7. AWARDS AND PRESENTATIONS**8. CONFIRMATION OF MINUTES****8.1 ORDINARY MEETING OF COUNCIL – 21 FEBRUARY 2012**
Min 21 February 2012**COUNCIL RESOLUTION**

At 6.38pm Cr Robartson moved, seconded Cr Willis -

That the Minutes of the Ordinary Meeting of Council held on Tuesday, 21 February 2012, be confirmed as a true and accurate record.

At 6.38pm the Mayor submitted the motion, which was declared

CARRIED (13/0)

8.2 NOTES OF AGENDA BRIEFING FORUM – 6 MARCH 2012
Notes 6 March 2012**COUNCIL RESOLUTION**

At 6.38pm Cr Kinnell moved, seconded Cr Foxton -

That the Notes of Agenda Briefing Forum held on Tuesday, 6 March 2012, be received.

At 6.38pm the Mayor submitted the motion, which was declared

CARRIED (13/0)

**8.3 FINANCIAL MANAGEMENT, AUDIT, RISK AND COMPLIANCE
COMMITTEE (FMARC) – 12 MARCH 2012****COUNCIL RESOLUTION**

At 6.38pm Cr Kinnell moved, seconded Cr Reidy -

That the Minutes of the Financial Management, Audit, Risk & Compliance Committee Meeting held on Monday 12 March 2012 be noted.

NB:

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

At 6.38pm the Mayor submitted the motion, which was declared

CARRIED (13/0)

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

Nil.

9.2 DISCLOSURE OF INTEREST THAT MAY CAUSE A CONFLICT

- M12/5216 Dr S Silcox – Interest Under Code of Conduct

10. APPLICATIONS FOR NEW LEAVES OF ABSENCE

- Cr R Hill
- Cr B Kinnell
- Cr C Robartson

At 6.39pm Cr Reidy moved, seconded Cr Barton -

That the application for new leave of absence submitted by Cr Hill, Cr Kinnell and Cr Robartson on 20 March 2012 be granted.

At 6.39pm the Mayor submitted the motion which was declared

CARRIED (13/0)

11. IDENTIFICATION OF MATTERS FOR WHICH MEETING MAY BE CLOSED

Nil.

12. PETITIONS**12.1 Petition – Request for Installation of Traffic Calming – Garling Street**

A petition signed by 93 residents was received by the City of Melville on Wednesday 29 February 2012. The petition reads as follows –

“We, the undersigned, all being Electors of the City of Melville, do humbly pray that you implement physical traffic calming via installing chicanes and roundabouts on Garling Street.”

COUNCIL RESOLUTION

At 6.40pm Cr Hill moved, seconded Cr Kinnell -

That the petition bearing 93 signatures be received and acknowledged in writing to the lead petitioner with the advice that after consideration by the City’s Technical Services Division, a report will be presented to a future meeting of the Council.

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

CARRIED (13/0)

13. DEPUTATION

- P12/3292 Three-Storey with Undercroft Mixed-Use Development at Lot 278 (164) Riseley Street, Booragoon

Ms Pauline Pietersen

14. REPORTS OF THE CHIEF EXECUTIVE OFFICER

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

From 6.43pm to 6.54pm Ms Pauline Pietersen presented a deputation relating to this item.

At 6.54pm Ms Pietersen returned to the public gallery.

P12/3292 - THREE-STOREY WITH UNDERCROFT MIXED-USE DEVELOPMENT AT LOT 278 (164) RISELEY STREET, BOORAGOON (SMREC) (CONFIDENTIAL ATTACHMENT)

Ward	:	City
Category	:	Operational
Application Number	:	DA-2011-841
Property	:	Lot 278 (164) Riseley Street, Booragoon
Proposal	:	Three-storey with undercroft Mixed-use Development
Applicant	:	Harden Jones Architects
Owner	:	Mr W F Grimshaw
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 review decisions made by Officers.</i>
<input checked="" type="checkbox"/>	Quasi-Judicial	<i>when the Council determines an application/matter that directly affects a person's right and interests. The judicial character arises from the obligation to abide by the principles of natural justice. Examples of Quasi-Judicial authority include town planning applications, building licences, applications for other permits/licences (eg under Health Act, Dog Act or Local Laws) and other decisions that may be appealable to the State Administrative Tribunal.</i>

P12/3292 - THREE-STOREY WITH UNDERCROFT MIXED-USE DEVELOPMENT AT LOT 278 (164) RISELEY STREET, BOORAGOON (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 with undercroft car parking
- It is proposed that the ground floor be utilised as an office tenancy, with the upper two floors providing residential accommodation in the form of four apartments.
- 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, (visitor) car parking, side setbacks, landscaping, building height and storage area size.
- 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 and building height variations that are proposed.
- The application is recommended for conditional approval.



P12/3292 - THREE-STOREY WITH UNDERCROFT MIXED-USE DEVELOPMENT AT LOT 278 (164) RISELEY STREET, BOORAGOON (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	: 809.43sqm
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

[3292 Diagram Riseley Street Basement Swept Path Exit](#)
[3292 Riseley Street Site Basement Elevation Plan](#)

DETAIL

Development Requirements

A number of variations to the development requirements of the R-Codes, CPS5 and Council Policy are proposed. These are summarised as follows:

Development Requirement	Required/ Allowed	Proposed	Comments	Delegation to approve variation	Plan Notation
CPS5 / Policy Variations					
Plot Ratio	0.8 (647.54sqm)	1.18 (956sqm)	Does not comply	Council	
Landscaping	25%	11.66%	Does not comply	MPDS	
Building Height	9.0m (max)	12.2m	Does not comply	Council	
R-Code Variations					
Parking (visitor)	2 bays	Nil	Does not comply	MPDS	
Storage Facilities	8 Stores at 4sqm each	8 stores at 3.4sqm each	Does not comply	MPDS	
Setbacks – Side (north)					
FF – Unit 3 entire wall	2.7m	2.0m	Does not comply	MPDS	

P12/3292 - THREE-STOREY WITH UNDERCROFT MIXED-USE DEVELOPMENT AT LOT 278 (164) RISELEY STREET, BOORAGOON (SMREC) (CONFIDENTIAL ATTACHMENT)

SF – Unit 7 entire wall	2.7m	2.0m	Does not comply	MPDS	
Setbacks – Side (south)					
GF – Office	2.8m	2.0m	Does not comply	MPDS	
FF – entire wall	4.1m	2.0m	Does not comply	MPDS	
SF – entire wall	5.0m	2.9m	Does not comply	MPDS	

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

PUBLIC CONSULTATION / COMMUNICATION

Advertising Required: Yes
 Neighbour's Comment Supplied: Yes
 Reason: Variations to R-Codes / Policy / R-Codes
 Support/Object: 3 objections

Submission received from	Summary of Submissions	Support / Objection	Officer's Comment	Action (Uphold / Not Uphold)
Pickering Way	<p>Object to the proposed development based on the following reasons:</p> <ul style="list-style-type: none"> The proposed maximum height is too tall to be in a residential area. It will disturb our privacy as we have a swimming pool in our backyard. The proposed building extensively uses glass. The resultant reflection from the glass can be disturbing. 	Object	<p>Further comment in response to these matters is provided within the 'Comments' section of this report (see below).</p> <p>In respect of the "extensive use of glass" it is noted that with the exception of the ground floor elevation (office accommodation) the majority of the building is of masonry construction, articulated with a standard amount of glazed window openings, and balcony screens.</p>	Partially Uphold

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Pickering Way (joint submission)	<p>Whilst not in objection to the concept of mixed use, object to the proposal based on the following reasons:</p> <ul style="list-style-type: none"> • Disregards the investment and lifestyles of existing residential developments. • Adverse impact to existing residential development on Pickering Street. • Adverse overlooking issues from imposing 4-storey development onto primary outdoor living areas of adjoining residences. • Proposal does not respect the scale and style of the character of housing in the locality. • Mature trees and vegetation is not retained on the subject site. • Building height variation unduly affects the amenity of surrounding properties. 	Object	<p>The issues raised can be further summarised into the following key points, these being:</p> <ul style="list-style-type: none"> • Loss of privacy; • Adverse building bulk resulting from variations to height, plot ratio and setbacks; and, • Detrimental amenity impact. <p>Further comment in response to these matters is provided within the 'comments' section of this report (see below).</p> <p>It is noted that development precedent is not of relevance to the planning context. Planning applications are assessed based on their individual planning merit.</p> <p>In addition affect on property value is not a material planning consideration.</p>	Partially Uphold
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P12/3292 - THREE-STOREY WITH UNDERCROFT MIXED-USE DEVELOPMENT AT LOT 278 (164) RISELEY STREET, BOORAGOON (SMREC) (CONFIDENTIAL ATTACHMENT)

	<ul style="list-style-type: none"> The intent of the 'Commercial Centre Frame' Precinct as a "buffer zone" is eroded by the imposition of the proposed development. 			
	<ul style="list-style-type: none"> Once Council disregards policy and regulations, a potential floodgate of further development proposals with similar or worse breaching of the law will occur. Large scale 'block' developments could lead to future urban blight and degradation of surrounding property values. <p>The submitter recommends that :</p> <ul style="list-style-type: none"> The two rear units (7 & 8) should be deleted. The undercroft level should be further reduced in Finished Floor Level to reduce building bulk. 			

P12/3292 - THREE-STOREY WITH UNDERCROFT MIXED-USE DEVELOPMENT AT LOT 278 (164) RISELEY STREET, BOORAGOON (SMREC) (CONFIDENTIAL ATTACHMENT)

	<ul style="list-style-type: none"> Screen planting of four evergreen trees at a minimum 8m height and 3-4m width be planted in the 1.2m rear setback area to increase privacy. 			
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CONSULTATION WITH OTHER AGENCIES / CONSULTANTS

Architectural and Urban Design Advisory Panel

At its meeting of 16 September 2011, the details of the application were considered by the Architectural and Urban Design Advisory Panel (the Panel).

Architecturally, there was a general consensus by the panel members that the proposal was acceptable 'in principle'. However, it was made clear that redevelopment of this site will set the benchmark, and act as a catalyst for development that will follow elsewhere within the City Centre Frame precinct, particularly along the length of Riseley Street close to Garden City.

In view of this, the Panel members considered it important that the built form of developments within the City Centre Frame be cognisant of the existing residential development that is located within the residential area to the immediate east. Concern was also expressed that in the interests of a good built form outcome, the City should not be hampered by the parameters set by development requirements contained within CPS5 relative to plot ratio and building height.

The comments expressed by the Panel may be summarised as follows:

Panel Comments / Recommendations	Comment/s
Building bulk (particularly towards the rear) must be reduced through increased setbacks or additional landscaping in order to safeguard residential amenity.	<p>Revised plans were subsequently submitted which have increased the provision of landscaping across the entire site. Specifically, a first floor planter has been revised as well as incorporation of a vertical green wall on the ground floor level façade.</p> <p>Rear setbacks to the first and second floors have also been increased from 7.5m to 9.95m, in the interests of residential amenity.</p>
Landscaping should be increased towards the front of the development.	Revised Plans have since been received which remove a disabled parking bay previously located within the primary street setback area, and replace it with additional landscaping..

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Screening of balconies along the rear is counter-productive to good design, particularly where cheap screening materials are used. With an increase in setback to a minimum of 7.5m, this will allow un-obscured balconies for future residents whilst reducing building bulk to adjoining residents.	As per above, rear setbacks to the first and second floors have been increased to 9.95m. This now means that rear balconies can exist without excessive screening measures being required.
Some vertical landscaping, a green bay for disabled or landscaping could be extended vertically over the access way as the current proposed landscaping is not that effective and could be improved. More innovative landscaping is required.	As noted above, revisions to the plans since the Panel's consideration have resulted in the creation of additional landscaping opportunities across the site, including the provision of a vertical "green" wall on the rear elevation.
The proposed disabled bay would be better located at undercroft level.	Disabled bay has been relocated to the undercroft level.
Proposed undercroft car parking layout is considered to be problematic. The location of the lift may create circulation problems as will the tandem bays and bay C05.	Parking layout has been revised. Refer to 'Traffic Impact' comments below for further details.
Design wise, a similar 'cut-out' articulation as used in the north-south elevation could be incorporated on the east-west façade.	Revised plans have been submitted which incorporate a vertical 'green' wall which assist in articulating the wall, similar to the recommended 'cut-out' idea.
Bin location could be improved.	Bin store relocated away from access ramp to negate any conflict.
Front elevation could do with more relief material.	Revised front elevation which incorporates feature panels.

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 layout of the undercroft car parking area.

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.

P12/3292 - THREE-STOREY WITH UNDERCROFT MIXED-USE DEVELOPMENT AT LOT 278 (164) RISELEY STREET, BOORAGOON (SMREC) (CONFIDENTIAL ATTACHMENT)**STRATEGIC, RISK AND ENVIRONMENTAL MANAGEMENT IMPLICATIONS**

There are no anticipated strategic, risk 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 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

As stated, planning approval is sought for a three-storey mixed-use development within this 'City Centre Frame' portion of Riseley Street. The City Centre Frame is one of a number of 'Commercial Centre Frame' Precincts located throughout the City of Melville.

In this case, the frame abuts the 'City Centre' Precinct along its northern and eastern sides. (Almondbury Road and Riseley Street), and contains a small number of commercial land uses which are scattered throughout the frame. These uses include medical centres, offices and a veterinary clinic, which exist alongside residential developments that dominate as it stands. 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 concealed roof. The lot itself slopes significantly from west to east, and this slope has been accommodated within the fabric of the building via the inclusion of an undercroft car parking area. In doing so, the building has the appearance of a three storey structure to the front (Riseley Street), and a 3.5 storey structure to the rear. This design is considered to be consistent with the residential character of buildings in an area such as this, with an R50 density coding.

P12/3292 - THREE-STOREY WITH UNDERCROFT MIXED-USE DEVELOPMENT AT LOT 278 (164) RISELEY STREET, BOORAGOON (SMREC) (CONFIDENTIAL ATTACHMENT)Plot Ratio

The proposal presents a total plot ratio of 1.18 (956sqm) in lieu of 0.8 (647.54sqm) permitted under the provisions of CPS5. This variation 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, whilst the subject proposal includes a noteworthy variation to the permitted plot ratio, the variation is supported for the following reasons:

- This proposal presents an opportunity for Council to endorse the re-development of this lot such that it will act as a catalyst for other commercial and mixed use development proposals along Riseley Street. These developments will, if designed correctly, present the City with the opportunity to frame the City Centre in the manner anticipated by the evolving Local Planning Strategy. In addition, a number of the existing residential properties located along this part of Riseley Street are somewhat run down, blighted by the prospect of commercial redevelopment opportunities such as this. The removal of these properties will, in itself, improve the urban fabric of the locality.
- The creation of a more defined commercial character along this part of Riseley Street will assist in promoting the creation of a "Main Street" shopping environment along the eastern side of the Garden City shopping complex. The implementation of 'main street' principles along Riseley Street (as well as Almondbury Road) is a key objective in meeting the Statement of Intent for the 'City Centre' Precinct.
- The development will result in the demolition and removal of a single storey dwelling house, the built form of which does little to contribute to the desired built form of this City Centre Frame locality.
- The proposal incorporates a mixture of land uses which is consistent with the Statement of Intent for the area and will assist in activating Riseley Street in a much more positive way than is achieved at present.
- Plot ratio restrictions do not, in isolation, provide a good mechanism for the control of building bulk or scale.

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- Whilst concerns raised in relation to building bulk are acknowledged, the development is not considered to adversely impact the amenity of the adjoining neighbours (particularly those residents to the east) given the building design provided incorporates rear setbacks which go above and beyond those required under the provisions of the CPS5 and R-Codes.
- 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.
- The Architectural Design Panel expressed their support in principle for a variation to the plot ratio requirements, in the interests of a positive built form outcome.

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 11.66% 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, including:

- Within the front setback area of the development, which will complement the built form, soften the external appearance of the development, and provide a suitable landscaped setting for it.
- Along the line of the rear lot boundary, where a row of trees will assist in enhancing the visual relationship that will exist between the proposed mixed use development, and the more traditional residential development that exists to the east.; and,
- On the rear elevation of the development, including the provision of a vertical green wall, the existence of which will provide articulation of the built form, softening its appearance from the residential properties that abut it to the east.

On that basis, the landscaping variation sought is supported.

Building height

The proposed development has been designed with a maximum building height of 12.2m in lieu of the 9.0m required under the provisions of CPS5, and guided by Council Policy CP-066 - Height of Buildings. This variation requires a Special Majority decision of the Council to approve.

P12/3292 - THREE-STOREY WITH UNDERCROFT MIXED-USE DEVELOPMENT AT LOT 278 (164) RISELEY STREET, BOORAGOON (SMREC) (CONFIDENTIAL ATTACHMENT)

It is noted that given the 2.9m downward slope that exists across the site, the maximum height of the proposed structure varies from 10.5m towards the Riseley Street frontage, upwards to 12.2m at the rear. It is also noted that under the provisions of the R Codes, the maximum height of a three storey building with a concealed roof is 10m, 1m more than is tolerated by the provisions of the Council's own development requirements.

In accordance with the provisions of the R Codes, the height variation has been assessed against the performance criteria advanced under Clause 7.1.2. To that end, it is considered that the height variation sought, particularly when viewed in the context of the overall built form outcome that will be delivered by this development, is consistent with the broad height objectives of the locality, taking into account the need to safeguard and protect the amenities enjoyed by the occupiers of adjoining residential properties.

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 a balanced and acceptable outcome. These revisions have:

- Incorporated an increase to the rear setback which is now provided at 9.95m to the two upper floor residential apartments.
- Incorporated feature panels to add articulation and interest to the building;
- Incorporated landscape treatment in the form of balcony planting and vertical landscaping to soften the highest (rear) end of the building.
- Included open balconies along the entire length of the rear façade which reduces building bulk (i.e. in comparison to a solid wall with or without major openings).

It is noted that the subject lot could, under the provisions of the Multi Unit Housing Codes, be developed in such a way that the built form could be sited as close as 2.7m from the rear boundary. The actual design solution proposed, albeit over height when judged against the Council's standard height requirements, does presents an acceptable design outcome, and a built form that will be readily and acceptably accommodated within the urban landscape.

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 - North

The proposal seeks a variation to the first and second floor side setbacks of 2.0m in lieu of 2.7m. The walls measure at a length of 17.6m and 14.1m and a height of 8.5m and 11.6m respectively.

**P12/3292 - THREE-STOREY WITH UNDERCROFT MIXED-USE DEVELOPMENT AT LOT
278 (164) RISELEY STREET, BOORAGOON (SMREC) (CONFIDENTIAL ATTACHMENT)**

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 has been minimised through the use of feature walls, wall articulation, screening material and a variety of window treatments;
- The setback variation does not result in any adverse overshadowing impact given the wall is north facing;
- There are no privacy implications as all windows and balconies (where applicable) have been screened or obscured;
- Whilst the setback variation faces onto a backyard area of the adjoining lot, it is closest to the clothes drying area and area containing a non-habitable outbuilding. As such, the neighbour's enjoyment of their outdoor living area is not prejudiced.
- No objection has been raised by the adjoining neighbour.

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 - South

There are three proposed setback variations relative to the southern boundary, as follows:

- Ground floor office wall, 30.5m in length, 5.7m in height, setback 2.0m in lieu of 2.8m;
- Entire first floor wall, 30.7m in length, 8.1m in height, setback 2.0m in lieu of 4.1m; and,
- Entire second floor wall, 27.3m in length, 11.3m in height, setback 2.0m in lieu of 5.0m.

It is noted that no objections were raised to the setback variations sought, which under the provisions of the relevant performance criteria, are supported for the following reasons:

- The wall in question abuts a commercial property currently operating as a medical centre. As such, there is no impact with regard to building bulk relative to habitable rooms or outdoor living areas;
- Whilst there is some overshadowing, as the property overshadowed is not in residential use, the overshadowing provisions of the R Codes do not apply.
- There are no privacy implications as all windows and balconies (where applicable) are screened or obscured;
- As noted above, the affected property is also subject to the same zoning as the subject site. As such, any perceived impacts will eventually be mitigated through future redevelopment.

P12/3292 - THREE-STOREY WITH UNDERCROFT MIXED-USE DEVELOPMENT AT LOT 278 (164) RISELEY STREET, BOORAGOON (SMREC) (CONFIDENTIAL ATTACHMENT)*Car Parking (visitor)*

Clause 7.7.3 of the R-Codes requires two visitor parking bays to be provided as part of the proposed development. Where the Acceptable Development provision cannot be met, the Performance Criteria requires adequate car parking bays to be provided on-site in accordance with projected need relative to:

- *The type, number and size of dwellings;*
- *The availability of on-street and other offsite parking; and,*
- *The location of the proposed development in relation to public transport and other facilities.*

The shortfall of two bays is supported in this instance as:

- The subject site is located within 50m of the Transperth bus station from which nine separate bus routes operate. These services link the bus station to the Fremantle, Cannington, Bull Creek, Murdoch and Wellington Street (Perth City) bus stations.
- Whilst street parking is not available on Riseley Street, such parking is permissible within the residential area located to the east, accessed via Davenport Road, located 50m (i.e. less than one minute walk) north of the subject site.
- Up to seven commercial parking bays will be available for use by residential visitors after office hours on weekdays and all day Saturday and Sunday.

Storage Facilities

The proposal seeks a variation to the Acceptable Development provisions of clause 7.4.7 which requires an enclosed, lockable storage area to be provided for each multiple dwelling of at least 4sqm. The proposal presents eight stores measuring 3.4sqm.

The variation sought is considered to be minor and acceptable in this instance given the availability of separate bicycle storage facilities within the undercroft car parking area, for the benefit of residents.

Amenity

The proposed development has been assessed against, and found to comply with, the amenity provisions outlined by Clause 7.8 of CPS5. 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.

P12/3292 - THREE-STOREY WITH UNDERCROFT MIXED-USE DEVELOPMENT AT LOT 278 (164) RISELEY STREET, BOORAGOON (SMREC) (CONFIDENTIAL ATTACHMENT)**OFFICER RECOMMENDATION & COUNCIL RESOLUTION (3292)
SPECIAL MAJORITY APPROVAL**

At 6.57pm Cr Barton moved, seconded Cr Nicholson -

- A) That the application for a three-storey mixed-use development at Lot 278 (164) Riseley Street, Booragoon be approved by a Special Majority decision of Council pursuant to Clause 4.3 of Community Planning Scheme No.5 subject to the following Special and Standard Conditions:**

SPECIAL CONDITIONS:

- 1. A footpath that complies with AS1428.1 is to be provided within the subject site connecting the lobby area and commercial entrance.**
- 2. On site car parking bays must be clearly marked and made available for use prior to the occupation of the building, to the satisfaction of the Manager Planning and Development.**
- 3. 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.**
- 4. Prior to the initial occupation of the development, the ground floor level of the building/s and wall/s is/are to be treated with a non-sacrificial anti-graffiti agent to the satisfaction of the Manager Planning and Development.**
- 5. 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.**
- 6. 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.**
- 7. All stormwater and drainage run off to be contained on site.**

P12/3292 - THREE-STOREY WITH UNDERCROFT MIXED-USE DEVELOPMENT AT LOT 278 (164) RISELEY STREET, BOORAGOON (SMREC) (CONFIDENTIAL ATTACHMENT)

8. 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. 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. Any species which fail to establish within the first two planting seasons following implementation shall be replaced in accordance with the City's requirements.

STANDARD CONDITIONS:

1. Lighting is to be provided to all car parking areas and the exterior entrances to all buildings in accordance with Australian Standard AS 1158.3.1 (Cat. P) prior to the occupation of the building to the satisfaction of the Manager Planning and Development. All external lighting to be hooded and oriented so that the light source is not directly visible to the travelling public or abutting residences.

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 no's 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. The cost of damage to a street tree will be determined in accordance with the "tree amenity valuation formula" adopted by the Council in September 1994.

P12/3292 - THREE-STOREY WITH UNDERCROFT MIXED-USE DEVELOPMENT AT LOT 278 (164) RISELEY STREET, BOORAGOON (SMREC) (CONFIDENTIAL ATTACHMENT)

2. The applicant is to liaise with Main Roads Western Australia with regard to relocation infrastructure associated with the speed / red light camera.
3. 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.
4. 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 Statutory Planning.
5. 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.

6. 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

P12/3292 - THREE-STOREY WITH UNDERCROFT MIXED-USE DEVELOPMENT AT LOT 278 (164) RISELEY STREET, BOORAGOON (SMREC) (CONFIDENTIAL ATTACHMENT)

7. A separate application for Planning Approval and Signs Licence is required for all signage.

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

At 7.12pm the Mayor submitted the motion, which was declared

LOST (0/13)

The application was refused for the following reasons –

1. Non-compliance with the plot ratio requirements contained under Part 4 of CPS5.
2. Non-compliance with the building height requirements contained under Part 4 of CPS5.
3. Non-compliance with the Performance Criteria requirements for visitor car parking as per Clause 7.7.3 of the R-Codes.
4. Adverse amenity impact resulting from variations to the plot ratio, building height and setback variations.
5. The proposed development does not conform with the orderly and proper planning for the locality in accordance with the provisions of Clause 7.8 of CPS5.
6. Inconsistent with Council Policy.
7. Inconsistent with side setbacks.

At 7.15pm His Worship the Mayor requested that the following item be brought forward for discussion.

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

16. MOTIONS OF WHICH PREVIOUS NOTICE HAS BEEN GIVEN

16.1 Funding Volunteers to Remove Weeds at Wireless Hill

COUNCIL RESOLUTION

ABSOLUTE MAJORITY

At 7.16pm Cr Nicholson moved, seconded Cr Taylor-Rees -

That the Council;

- 1. Reallocate the funds currently budgeted for the 2011/12 year by the City of Melville for weed spraying at Wireless Hill Reserve (being \$14,000 for 2011/12) to the South East Regional Centre for Urban Landcare (SERCUL) to administer the funds on behalf of the Friends of Wireless Hill for the purpose of employing trained workers to hand weed instead of spraying.**
- 2. That the amount of \$14,000 be considered in the City's future budgets as an annual grant to the South East Regional Centre for Urban Landcare (SERCUL) to administer the funds on behalf of the Friends of Wireless Hill for the purpose of employing trained workers to hand weed instead of spraying.**

At 7.51pm the Mayor submitted the motion, which was declared

LOST (4/9)

Reasons for Motion

Cr Nicholson provided the following as reasons for supporting the motion.

"This would represent better value for the City of Melville and its ratepayers. This may lead to a reduction in the weed density and also an increase in the health and biodiversity of the bush. The motion requests that the money be directed to the South East Regional Centre for Urban Landcare (SERCUL) to administer the funds on behalf of the Friends of Wireless Hill Group to manage in order to achieve these better results. The Friends¹ Group will employ the contractors directly and may negotiate a better rate."

At 7.52pm Cr Pazolli left the meeting.

At 7.52pm the meeting returned to the normal order of the Agenda.

P12/3290 - RE-NAMING OF A PORTION OF DAVIS ROAD, ATTADALE (REC)

Ward	:	Bicton - Attadale
Category	:	Operational
Property	:	Portion of Davis Road between Waddell Road and Moreing Road
Proposal	:	Re-Naming of a Portion of Davis Road, Attadale
Applicant	:	City of Melville
Owner	:	Not Applicable
Disclosure of any Interest	:	No Officer involved in the preparation of this report has a declarable interest in this matter.
Previous Items	:	Item P11/3276 – of the Ordinary Meeting of Council 20 December 2011 - Initiation of the proposed re-naming of a portion of Davis Road, Attadale
Responsible Officer	:	Peter Prendergast Manager Planning and Development Services

AUTHORITY / DISCRETION

DEFINITION

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

P12/3290 - RE-NAMING OF A PORTION OF DAVIS ROAD, ATTADALE (REC)

KEY ISSUES / SUMMARY

- At the Ordinary Meeting of Council held on 20 December 2011 it was resolved to initiate advertising to re-name the two northern-most blocks of Davis Road (bounded by Waddell Road and Moreing Road) and to allocate new street numbers to all of the properties which have access on to this portion of road.
- It was also resolved that 'Lutey Road' be the preferred street name for advertising purposes, that being the surname of the first president of the Bicton Palmyra RSL Auxiliary in 1949.
- This exercise in re-naming and the resultant re-numbering is proposed as the current arrangement in respect of street naming and numbering no longer provides the best option in readily identifying properties that front that portion of the road. This situation being brought about after the subdivision and redevelopment of a number of lots within the locality.
- Advertising was undertaken for a period of 21 days, concluding 7 February 2012. Six submissions were received, four in support and two in objection. The objections relate to the cost and inconvenience to landowners associated with the renaming and renumbering exercise.
- Notwithstanding the concerns raised, it is recommended that Council resolve to recommend that the Geographic Names Committee (GNC) approve the re-numbering of the properties currently addressed to reflect their access from 'Lutey Road'.



P12/3290 - RE-NAMING OF A PORTION OF DAVIS ROAD, ATTADALE (REC)

BACKGROUND

An application was received to re-number 100A Waddell Road, Bicton to a Davis Road address. This request was considered acceptable in principle as the property in question has a frontage to Davis Road, not Waddell Road.

In practice however, a Davis Road street number is not available to facilitate the request. In view of this, and in order that a Davis Road street number can be allocated, it was resolved by Council that the northern-most portion of Davis Road be re-named, and the street numbering rationalised to accommodate the demand for clear addressing and street numbering.

DETAIL

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

- A) That Council resolve to adopt 'Lutey Road' as the preferred street name for the two northern-most blocks of Davis Road between Waddell Road and Moreing Road.
- B) That the preferred street name be advertised for a period of 21 days via mail out to all properties with frontage on to the subject portion of road and a notice in a newspaper circulating within the district.
- C) That the proposed new street numbers be advertised for a period of 21 days via mail out to all properties with frontage on to the subject portion of road as follows:

Existing Address	Proposed Street Address
102 Waddell Road	1 Lutey Road
100 Waddell Road	2 Lutey Road
102B Waddell Road	3 Lutey Road
100A Waddell Road	4 Lutey Road
107 Stock Road	5 Lutey Road
1/107 Stock Road	7 Lutey Road
106A Stock Road	11 Lutey Road
2/109 Stock Road	6 Lutey Road
3/109 Stock Road	8 Lutey Road
1 Davis Road	13 Lutey Road
2 Davis Road	12 Lutey Road
2A Davis Road	14 Lutey Road
2B Davis Road	16 Lutey Road

- D) That on completion of advertising, the matter be referred to the Council for further consideration and determination prior to final referral to Landgate.

P12/3290 - RE-NAMING OF A PORTION OF DAVIS ROAD, ATTADALE (REC)**Scheme Provisions**

MRS Zoning	: Urban
CPS 5 Zoning	: Not applicable
R-Code	: Not applibale
Use Type	: Not appilcable
Use Class	: Not applicable

P12/3290 - RE-NAMING OF A PORTION OF DAVIS ROAD, ATTADALE (REC)

PUBLIC CONSULTATION/COMMUNICATION

Advertising Required: Yes.
 Neighbour's Comment Supplied: Six submissions received.
 Reason: Required in accordance with Clause 7.5(f) of CPS5.
 Support/Object: Four submissions were received from owners of those properties affected. In addition, the City received two letters from owners of properties that are unaffected by the proposal.

Note: Advertising was undertaken for a 21 day period which concluded 7 February 2012. Advertising took the form of a notice in the Melville Times, as well as individual notification letters to the owners of those properties affected.

Affected Property	Summary of Submission	Support/Objection/Comment/No Comment	Officer's Comment	Action (Uphold / Not Uphold)
1	Confirmation that 100 Waddell Road is not changing.	Comment	This property is no longer included within the range of this renaming exercise given it faces Waddell Road.	Uphold
2.	Confirmation that 102 Waddell Road is not changing.	Comment	As above.	Uphold
3.	Sounds great, look forward to receiving confirmation of the change once it is approved.	Support	Noted.	Uphold
4.	Thanks for the information it all makes sense.	Support	Noted.	Uphold
5.	Renaming would be a waste of ratepayers money and is unnecessary.	Object	The renaming and renumbering exercise will allow logic and clarity to be applied to the addressing of properties in this location, replacing the existing situation which has resulted in the use of suffix's and unit numbers to address the shortage of street numbers.	Not Uphold

P12/3290 - RE-NAMING OF A PORTION OF DAVIS ROAD, ATTADALE (REC)

	The street is a main thoroughfare for the suburb of Attadale, is recognised as Davis Road and is easily identified as such. The name Lutey Road would prove confusing.		The eastern stretch of Davis Road terminates at the roundabout which links Moreing Road. Lawlor Road also links onto Davis Road immediately east of the roundabout. The roundabout provides the logical point at which to introduce a new street name.	Not Uphold
	There are some street numbering issues that need to be looked at however, renaming would not only be inconvenient and costly but totally inappropriate.		As noted above, the renaming will result in a logical numbering of properties. Whilst the short term inconvenience is acknowledged, the long term benefits are considered more pertinent.	Not Uphold
6.	Inconvenience to change details on all correspondence. Will be disadvantaged financially.	Object	Should the renaming be supported by the Council, the City of Melville will contact service authorities to request that records are updated. However, residents are responsible for updating personal contacts. There are no perceived financial implications arising from the renaming / renumbering.	Not Uphold
	Davis Road is a well known street in Attadale. The notification did not outline any significant reason why this name change should occur and I would prefer to leave the street named as it is currently.		A copy of the Council report has been sent to the submitter, the details of which outline the reasons for the change.	Not Uphold

P12/3290 - RE-NAMING OF A PORTION OF DAVIS ROAD, ATTADALE (REC)**REFERRALS TO GOVERNMENT AGENCIES**

Should Council resolve to support the proposed street name, the recommendation will be referred to the GNC of Landgate for final approval.

STATUTORY AND LEGAL IMPLICATIONS

None applicable to this report.

FINANCIAL IMPLICATIONS

The financial implications of the proposed naming of the slip road to the City are costs associated with creating and installing new street signs, estimated to be in the region of \$300.

The City recognises that there will be a one off cost impost and inconvenience to affected residents which is acknowledged and unfortunate. However the City cannot resolve this issue unless the actions as identified in this report are taken.

STRATEGIC, RISK AND ENVIRONMENTAL MANAGEMENT IMPLICATIONS

There are no strategic, risk or environmental management implications applicable to this report.

POLICY IMPLICATIONS

There are no Policy implications applicable to this report.

ALTERNATE OPTIONS & THEIR IMPLICATIONS

Council can decline to re-name the portion of road, and there are no rights of appeal in respect of such a decision. Should that course of action be followed, the convoluted and confusing approach to the numbering of properties on this portion of Davis Road will remain.

COMMENTSStreet Naming

The proposed use of the name 'Lutey Road' was advertised, and although there were two objections relating to the cost and inconvenience of the proposed renaming, there were no objections to the use of the name 'Lutey Road'.

As such, it is recommended that Council resolve to recommend to the GNC that the road be renamed 'Lutey Road'.

P12/3290 - RE-NAMING OF A PORTION OF DAVIS ROAD, ATTADALE (REC)

Street Numbering

The City has been in consultation with the residents in relation to the proposed street numbering. It is intended that only those properties with a primary frontage to the street be addressed as such, and on that basis the proposed renumbering will be as follows:

Existing Address	Proposed Street Address
102 Waddell Road	*102 Waddell Road
100 Waddell Road	*100 Waddell Road
102B Waddell Road	3 Lutey Road
100A Waddell Road	4 Lutey Road
107 Stock Road	5 Lutey Road
1/107 Stock Road	7 Lutey Road
106A Stock Road	11 Lutey Road
2/109 Stock Road	6 Lutey Road
3/109 Stock Road	8 Lutey Road
1 Davis Road	13 Lutey Road
2 Davis Road	12 Lutey Road
2A Davis Road	14 Lutey Road
2B Davis Road	16 Lutey Road

Note: As noted, those properties marked * in the above table are no longer proposed to be renamed as part of this exercise.

Whilst it is acknowledged that there will be a limited degree of inconvenience to those property owners and occupiers affected by this proposal, it is concluded that, the inconvenience that will result will be outweighed by the benefits that will accrue.

The resultant renumbering exercise will:

- Resolve the problems posed in allocating street numbers to properties located on this portion of Davis Road.
- Allow those properties that have a primary frontage to Davis Road, but do not enjoy an address as such, to be addressed properly.
- Remove the confusion that exists at present at the roundabout of Moreing Road and Davis Road, where Davis Road diverts off in a south easterly direction.

CONCLUSION

It is recommended that Council resolve to recommend to Landgate that the existing portion of Davis Road located between Waddell Road and Moreing Road be renamed 'Lutey Road'. It is also recommended that Council adopt new street numbers for each of the properties accessed via 'Lutey Road'.

P12/3290 - RE-NAMING OF A PORTION OF DAVIS ROAD, ATTADALE (REC)

OFFICER RECOMMENDATION & COUNCIL RESOLUTION (3290)

SUPPORT

At 7.53pm Cr Barton moved, seconded Cr Taylor-Rees -

- A) That the Council supports renaming of the two northern-most blocks of Davis Road between Waddell Road and Moreing Road as 'Lutey Road' and advise Landgate - Geographic Names Committee in writing accordingly.**
- B) That the Council supports the following new street numbers for the properties with frontage onto the subject portion of Davis Road as follows:**

Existing Address	Proposed Street Address
102B Waddell Road	3 Lutey Road
100A Waddell Road	4 Lutey Road
107 Stock Road	5 Lutey Road
1/107 Stock Road	7 Lutey Road
106A Stock Road	11 Lutey Road
2/109 Stock Road	6 Lutey Road
3/109 Stock Road	8 Lutey Road
1 Davis Road	13 Lutey Road
2 Davis Road	12 Lutey Road
2A Davis Road	14 Lutey Road
2B Davis Road	16 Lutey Road

- C) That the residents affected by A) and B) above be advised in writing.**

At 7.54pm Cr Pazolli returned to the meeting.

At 7.54pm Cr Nicholson left the meeting.

At 7.56pm the Mayor submitted the motion, which was declared

CARRIED (10/2)

At 7.57pm Cr Reidy left the meeting.

**P12/3293 - NAMING OF THE SPIT OFF POINT WALTER AS 'POINT WALTER SPIT' –
1 HONOUR AVENUE, BICTON (REC)**

Ward	:	Bicton/Attadale
Category	:	Operational
Application Number	:	DW2661012
Property	:	Point Walter Reserve, 1 Honour Avenue, Bicton
Proposal	:	Naming of spit off Point Walter as 'Point Walter Spit'
Applicant	:	Landgate – Geographic Names Committee
Owner	:	State of Western Australia
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 checked="" type="checkbox"/>	Advocacy	<i>when the Council advocates on its own behalf or on behalf of its community to another level of government/body/agency.</i>
<input type="checkbox"/>	Executive	<i>the substantial direction setting and oversight role of the Council. e.g. adopting plans and reports, accepting tenders, directing operations, setting and amending budgets.</i>
<input type="checkbox"/>	Legislative	<i>includes adopting local laws, town planning schemes & policies.</i>
<input type="checkbox"/>	Review	<i>when the Council review decisions made by Officers.</i>
<input type="checkbox"/>	Quasi-Judicial	<i>when the Council determines an application/matter that directly affects a person's right and interests. The judicial character arises from the obligation to abide by the principles of natural justice. Examples of Quasi-Judicial authority include town planning applications, building licences, applications for other permits/licences (eg under Health Act, Dog Act or Local Laws) and other decisions that may be appealable to the State Administrative Tribunal.</i>

**P12/3293 NAMING OF THE SPIT OFF POINT WALTER AS 'POINT WALTER SPIT' –
1 HONOUR AVENUE, BICTON (REC)**

KEY ISSUES / SUMMARY

- The City has been contacted by Landgate – Geographic Names Committee with regard to a request to name the island off Point Walter as 'Point Walter Spit'.
- The request has originated from a request from a local resident seeking formal acknowledgement of part of the sand bar which appears to now remain exposed (i.e. not become submerged with tidal movements).
- The exposed "island" itself is built up from sand which has accumulated along the existing sand bar which, during the years has become established with vegetation comprising of eight native plant species and other common non native plants .
- Landgate - Geographic Names Committee requests that the City confirms the name 'Point Walter Spit'.
- Public consultation is not considered necessary in this instance given the naming request simply formalises a part of the spit which has been unofficially known as 'Point Walter Spit' for over a century.
- It is recommended that Council support the naming request and formally advises Landgate - Geographic Names Committee of its support.



**P12/3293 - NAMING OF THE SPIT OFF POINT WALTER AS 'POINT WALTER SPIT' –
1 HONOUR AVENUE, BICTON (REC)****BACKGROUND****Scheme Provisions**

MRS Reservation	: Parks and Recreation
CPS 5 Zoning	: Not applicable
R-Code	: Not applicable
Use Type	: Not applicable
Use Class	: Not applicable

Site Details

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

DETAIL

There are no development requirements applicable to this application.

PUBLIC CONSULTATION/COMMUNICATION

It is noted that Landgate – Geographic Names Committee under its correspondence dated 23 January 2012 advised that “...as this descriptive name appears to have been in use for over a century, public consultation is not required. (A spit is described as a small point of land or narrow shoal projecting into a body of water from the shore which can be above or below the waterline)”.

In view of this, public consultation has not been undertaken.

REFERRALS TO GOVERNMENT AGENCIES

This matter was raised by the Geographic Names Committee and the Council's resolution will be provided to Landgate.

STATUTORY AND LEGAL IMPLICATIONS

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

FINANCIAL IMPLICATIONS

There are no financial implications applicable.

**P12/3293 - NAMING OF THE SPIT OFF POINT WALTER AS 'POINT WALTER SPIT' –
1 HONOUR AVENUE, BICTON (REC)****STRATEGIC, RISK AND ENVIRONMENTAL MANAGEMENT IMPLICATIONS**

There are no specific strategic, risk or environmental management implications applicable.

POLICY IMPLICATIONS

There are no policy implications associated with this proposal.

ALTERNATE OPTIONS & THEIR IMPLICATIONS

Council may elect to propose alternative names for the spit. Should this occur, the alternative name/s will need to be referred to Landgate for their preliminary approval prior to undergoing the naming process. Alternatively, Council can refuse to name the spit. There are no rights of appeal in respect of such a decision.

In this instance, the refusal or suggestion for alternative names is not recommended given the name 'Point Walter Spit' has been recommended by Landgate – Geographic Names Committee in light of it being used, unofficially, for over a century.

COMMENTS

As stated, the City has been contacted by Landgate – Geographic Names Committee with regard to the formal naming of the spit off Point Walter, unofficially known as 'Point Walter Spit'.

The naming request specifically relates to the portion of the existing sand bar which has built up over the years, resulting in a section now being exposed without interruption, and withstanding tidal movements. This has resulted in vegetation becoming well established, a recent survey by the local resident recorded 14 species of land plants, of which eight are native to Western Australia and other common non native species.

It is noted that the local resident initially proposed to name the area "Millennium Island" in reference to the first establishment of vegetation on the portion of the spit around the year 2000 (according to aerial photography). However, the "island" forms part of the one feature (in this case the spit) and as such, should not have a separate name. By definition, a 'spit' describes a small point of land or narrow shoal projecting onto a body of water from the shore and can be above or below the waterline.

CONCLUSION

It is recommended that Council support the naming of the spit off Point Walter as 'Point Walter Spit' in recognition of the unofficial use of that name for over a century.

**P12/3293 NAMING OF THE SPIT OFF POINT WALTER AS 'POINT WALTER SPIT' –
1 HONOUR AVENUE, BICTON (REC)**

OFFICER RECOMMENDATION & COUNCIL RESOLUTION (3293)

SUPPORT

That the Council supports the naming of the spit off Point Walter as 'Point Walter Spit' and advises Landgate – Geographic Names Committee in writing accordingly.

At 7.57pm the Mayor submitted the motion, which was declared

CARRIED EN BLOC (12/0)

**P12/3294 – FINAL APPROVAL OF AMENDMENT NO. 65 TO COMMUNITY PLANNING
SCHEME NO. 5 – EXEMPT INCIDENTAL DEVELOPMENT (REC)**

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

AUTHORITY / DISCRETION

DEFINITION

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

**P12/3294 – FINAL APPROVAL OF AMENDMENT NO. 65 TO COMMUNITY PLANNING
SCHEME NO. 5 – EXEMPT INCIDENTAL DEVELOPMENT (REC)****KEY ISSUES / SUMMARY**

- Each year the City deals with over 400 minor Development Applications for incidental development proposals to add to or alter existing residential properties. These include proposals to add small sheds, patios, pergolas and shade sails.
- The minor nature of such development applications means that their impacts are similarly minor.
- It is considered that these impacts can be readily managed via the development and inclusion within Community Planning Scheme No. 5 (CPS5) of a set of development criteria to identify when such minor development proposals can be deemed to be acceptable, and exempt from the need to gain the planning approval of the Council.
- A number of other such exemptions already exist within CPS5. The current proposal is therefore to extend this to expand upon the types of development which are exempt from the requirement to obtain development approval, subject to a number of criteria being satisfied.
- Amendment 65 was endorsed and approved for advertising by Council at its Ordinary Meeting of 11 October 2011.
- Advertising was undertaken for a period of 53 days, commencing 6 December 2011, and concluding on 27 January 2012. No submissions were received during the advertising period.
- A minor modification has been made to the Amendment 65 documentation in the form of replacing the definition for 'Minor Fixtures' with 'Minor Appurtenances'. The modification is not considered to alter the purpose and intent of the proposed Amendment and as such, re-advertising is not considered necessary.
- It is recommended that the Council resolve to finally adopt the Amendment and that the Amendment documentation be forwarded to the Hon. Minister for Planning, Culture and the Arts, Science and Innovation (the 'Minister') for finalisation and gazettal.

**P12/3294 – FINAL APPROVAL OF AMENDMENT NO. 65 TO COMMUNITY PLANNING
SCHEME NO. 5 – EXEMPT INCIDENTAL DEVELOPMENT (REC)****BACKGROUND**

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

Scheme Provisions

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

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

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

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

- (a) *notwithstanding Clause 3.4, the use of land in any reserve held by the Council for the purpose for which it is reserved under the Scheme, or any use incidental thereto;*
- (b) *the use of any land or buildings which is a permitted ("P") use in a precinct, provided it does not involve any construction or other works, and any building to be occupied has been constructed in accordance with the Scheme as determined by the Council;*
- (c) *the erection of a boundary fence;*
- (d) *the construction of a retaining wall less than 0.6 metres in height;*
- (e) *the demolition of any building or structure;*
- (f) *single storey residential development, and any ancillary development thereto, which does not require the exercise of a Council discretion under the Residential Planning Codes or having regard to Council Policy;*
- (g) *the maintenance and repair of any building, plant or machinery being lawfully used immediately prior to the Scheme having effect;*

**P12/3294 – FINAL APPROVAL OF AMENDMENT NO. 65 TO COMMUNITY PLANNING
SCHEME NO. 5 – EXEMPT INCIDENTAL DEVELOPMENT (REC)**

- (h) *works by any public authority pursuant to the provisions of any Act on, in, over or under a public street, or works for a utility service;*
- (i) *works for the improvement of any building which affect only its interior or do not materially affect its external appearance; and*
- (j) *works urgently necessary for public safety, safety or security of plant or equipment, maintenance of essential services, or protection of the environment.*

DETAIL

The proposed amendments to CPS5 are outlined below.

Deletion of Clause 7.2 (i) which states:

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

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

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

Insertion of the following definitions into Schedule 1: Interpretations

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

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

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

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

**P12/3294 – FINAL APPROVAL OF AMENDMENT NO. 65 TO COMMUNITY PLANNING
SCHEME NO. 5 – EXEMPT INCIDENTAL DEVELOPMENT (REC)**

Insertion of a Schedule 5 into CPS5 as follows:

Development	Conditions of exemption
Minor buildings (1)	<ul style="list-style-type: none"> • Maximum height of 2.4m above natural ground level. • Located behind the Primary and Secondary Street setback line. • To comply with the Acceptable Development Provisions of the Residential Design Codes relating to open space. • To have non-highly reflective roofing.
Shade Structures (2)	<ul style="list-style-type: none"> • Maximum height of 2.7m above natural ground level. • Located behind the Primary and Secondary Street setback line. • Open on two or more sides. • Open sided where they are located adjacent to a common boundary. • Patios not to cover more than two-thirds of the primary outdoor living area. • To have non-highly reflective roofing.

**P12/3294 – FINAL APPROVAL OF AMENDMENT NO. 65 TO COMMUNITY PLANNING
SCHEME NO. 5 – EXEMPT INCIDENTAL DEVELOPMENT (REC)**

Minor structures (3)	<ul style="list-style-type: none"> • Clothes lines located behind the street setback line and out of direct line of view of the street. • Water features, art work and permanent outdoor cooking facilities where located behind the Primary or Secondary Street setback line are to be no more than 1.8m in height. Where located within the front setback area, water features and permanent outdoor cooking facilities are to be visually permeable above 1.2m in height. • Flag poles limited to one per property, not more than 8m in height and not used for advertising purposes. • Basketball and netball hoops limited to one per property and not greater than the standard competition size and height. • Letterboxes not to be located within the vehicle truncation area.
Minor appurtenances (4)	<ul style="list-style-type: none"> • External hot water systems and air conditioning units attached to an external wall screened from view of the street and/or located no higher than 1.8m above natural ground level. • Air conditioning units located on the roof coloured to match the roof colour. • Communications equipment to satisfy the Acceptable Development Provisions of the Residential Design Codes or the alternative standards contained within Council policy.
Swimming Pools	<ul style="list-style-type: none"> • Not more than 0.5 metres above natural ground level.

PUBLIC CONSULTATION/COMMUNICATION

Advertising was undertaken for a period of 53 days, commencing 6 December 2011, and concluding on 27 January 2012. No submissions were received during the advertising period.

**P12/3294 – FINAL APPROVAL OF AMENDMENT NO. 65 TO COMMUNITY PLANNING
SCHEME NO. 5 – EXEMPT INCIDENTAL DEVELOPMENT (REC)****CONSULTATION WITH OTHER AGENCIES / CONSULTANTS**

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

STATUTORY AND LEGAL IMPLICATIONS

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

FINANCIAL IMPLICATIONS

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

STRATEGIC, RISK AND ENVIRONMENTAL MANAGEMENT IMPLICATIONS

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

POLICY IMPLICATIONS

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

ALTERNATE OPTIONS & THEIR IMPLICATIONS

It is recommended that Amendment 65 to CPS5 be finally adopted by Council and that this recommendation be forwarded to the Minister for his approval.

Alternatively, Council could refuse to finally adopt the Scheme Amendment, or it could initiate further modifications to it. Depending on the extent of the modifications, re-advertising may be required.

**P12/3294 – FINAL APPROVAL OF AMENDMENT NO. 65 TO COMMUNITY PLANNING
SCHEME NO. 5 – EXEMPT INCIDENTAL DEVELOPMENT (REC)****COMMENTS**

The Council receives approximately 400 Development Applications every year for minor incidental development to residential properties. These include the construction of small sheds, patios, pergolas and shade sails. The minor scale of these proposals means that their resultant impacts are similarly minimal, to the extent that they can be readily managed via the introduction of new specific minimum development requirements, the details of which can be introduced as a new Scheme provision.

The introduction of this Scheme Amendment will rationalise the need to obtain planning approval for minor development where it is associated with existing residential development.

Specifically, it is proposed to:

- Delete Clause 7.2(i) of CPS5

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

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

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

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

- Insertion of Clause 7.3(k) and Schedule 5

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

- Insertion of Definitions

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

P12/3294 – FINAL APPROVAL OF AMENDMENT NO. 65 TO COMMUNITY PLANNING SCHEME NO. 5 – EXEMPT INCIDENTAL DEVELOPMENT (REC)**CONCLUSION**

It is concluded that Amendment 65 to CPS5 as amended, should be endorsed by the Council for final approval. The Amendment refers to minor development proposals only, the impacts of which are limited. The efficiencies that will result in removing the need for such proposals to require the planning approval of the Council will be of positive benefit, particularly given the impacts will continue to be effectively managed via the introduction of new development criteria against which such exempted development proposals will still need to comply.

OFFICER RECOMMENDATION & COUNCIL RESOLUTION (3294)**APPROVAL**

A) That pursuant to Part 5 of the Planning and Development Act 2005, the Council adopt Amendment No. 65 to Community Planning Scheme No. 5 for final approval as follows:

(i) Delete Clause 7.2 (i).

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

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

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

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

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

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

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

**P12/3294 – FINAL APPROVAL OF AMENDMENT NO. 65 TO COMMUNITY PLANNING
SCHEME NO. 5 – EXEMPT INCIDENTAL DEVELOPMENT (REC)**

(iv) Insert Schedule 5 as follows:

Development	Conditions of Exemption
Minor buildings (1)	<ul style="list-style-type: none"> • Maximum height of 2.4m above natural ground level. • Located behind the Primary and Secondary Street setback line. • To comply with the Acceptable Development provisions of the Residential Design Codes relating to open space. <p>To have non-highly reflective roofing.</p>
Shade Structures (2)	<ul style="list-style-type: none"> • Maximum height of 2.7m above natural ground level. • Located behind the Primary and Secondary Street setback line. • Open on two or more sides. • Open sided where they are located adjacent to a common boundary. • Patios not to cover more than two-thirds of the primary outdoor living area. <p>To have non-highly reflective roofing.</p>
Minor structures (3)	<ul style="list-style-type: none"> • Clothes lines located behind the street setback line and out of direct line of view of the street. • Water features and permanent outdoor cooking facilities where located behind the Primary or Secondary Street setback line are to be no more than 1.8m in height. Where located within the front setback area, water features and permanent outdoor cooking facilities are to be visually permeable above 1.2m in height. • Flag poles limited to one per property, not more than 8m in height and not used for advertising purposes. • Basketball and netball hoops limited to one per property and not greater than the standard competition size and height. <p>Letterboxes not to be located within the vehicle truncation area.</p>

**P12/3294 – FINAL APPROVAL OF AMENDMENT NO. 65 TO COMMUNITY PLANNING
SCHEME NO. 5 – EXEMPT INCIDENTAL DEVELOPMENT (REC)**

Minor appurtenances (4)	<ul style="list-style-type: none"> • External hot water systems and air conditioning units attached to an external wall screened from view of the street and/or located no higher than 1.8m above natural ground level. • Air conditioning units located on the roof coloured to match the roof colour. <p>Communications equipment to satisfy the Acceptable Development provisions of the Residential Design Codes or the alternative standards contained within Council policy.</p>
Swimming Pools	Not more than 0.5 metres above natural ground level.

- B) That His Worship the Mayor and the Chief Executive Officer be authorised to execute the Amendment document and have the Common Seal affixed.**
- C) That the Amendment document be forwarded to the Minister for final approval along with the advice that the Environmental Protection Authority raised no objection to the proposed Amendment.**

At 7.57pm the Mayor submitted the motion, which was declared

CARRIED EN BLOC (12/0)

P12/3295 - DISPOSAL OF LOT 145 (NO. 35) ST MICHAEL TERRACE, MOUNT PLEASANT) (REC) (CONFIDENTIAL ATTACHMENT)

Ward	:	Applecross- Mount Pleasant
Category	:	Strategic
Application Number	:	Not applicable
Subject Index	:	Property / Land Administration
Customer Index	:	City of Melville
Property	:	Lot 145 (35) St Michael Terrace – Certificate of Title 1211/709
Proposal	:	Proposed disposal of property – Lot 145 (No. 35) St Michael Terrace, Mount Pleasant
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	:	Not Applicable
Responsible Officer	:	Gavin Ponton, Manager Strategic Urban Planning

AUTHORITY / DISCRETION

DEFINITION

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

P12/3295 - DISPOSAL OF LOT 145 (NO. 35) ST MICHAEL TERRACE, MOUNT PLEASANT) (REC) (CONFIDENTIAL ATTACHMENT)**KEY ISSUES / SUMMARY**

- The City of Melville owns the property in freehold title located at Lot 145 (35) St Michael Terrace, Mount Pleasant.
- The property was originally used to accommodate a Child Health Clinic, and then minor community use but is no longer required for that purpose.
- Council's Community Development Directorate has confirmed that the property is no longer required for service delivery and is surplus to requirements.
- The site is diagonally opposite the Mount Pleasant Primary School and nearby public open space is available at John Partlow Park (a distance of 175m).
- The size of the property prevents it from being used effectively as local open space.
- The building is in poor condition, not suited to other uses and is scheduled for demolition.
- The land is zoned R20 and most suited to subdivision into two freehold title lots.
- The property is considered to be surplus to City of Melville requirements and as such in accordance with Council Policy CP-005 Property Retention and Disposal is recommended for subdivision and disposal.

P12/3295 - DISPOSAL OF LOT 145 (NO. 35) ST MICHAEL TERRACE, MOUNT PLEASANT) (REC) (CONFIDENTIAL ATTACHMENT)



Image 1 –Lot 145 (35) St Michael Terrace, Mount Pleasant.

BACKGROUND

Scheme Provisions

MRS Zoning	: Urban.
CPS 5 Zoning	: Living Area
R-Code	: R20
Use Type	: Not applicable.
Use Class	: Not applicable

Site Details

Lot Area	: 1,056.90 sq.m
Retention of Existing Vegetation	: Not applicable.
Street Tree(s)	: Not applicable.
Street Furniture (drainage pits etc)	: Not applicable.
Site Details	: Largely vacant, building (approximately 80sqm) towards the centre of the site.

P12/3295 - DISPOSAL OF LOT 145 (NO. 35) ST MICHAEL TERRACE, MOUNT PLEASANT) (REC) (CONFIDENTIAL ATTACHMENT)**PUBLIC CONSULTATION/COMMUNICATION**

Advertising and community consultation will be required with respect to considering alternative methods such as private treaty to dispose of the property in accordance with Section 3.58 of the Local Government Act 1995.

CONSULTATION WITH OTHER AGENCIES / CONSULTANTS

Application to subdivide the land into two lots will require referral to other government and servicing authorities. Statutory consultation is also required under the Local Government Act 1995 with respect to the disposal of the land.

STATUTORY AND LEGAL IMPLICATIONS

Section 3.58 of the Local Government Act 1995 provides that;

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.*
- (4) 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*

P12/3295 - DISPOSAL OF LOT 145 (NO. 35) ST MICHAEL TERRACE, MOUNT PLEASANT) (REC) (CONFIDENTIAL ATTACHMENT)

- (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

An independent valuation in respect to this property was obtained in December 2010 and is provided as a Confidential Attachment .

The valuation was undertaken on the basis of two options;

Sale of the property on an as is basis to form a current valuation, and
Sale of the property on a highest and best use valuation

The valuation report (provided as an attachment to this report) concluded that;

- Under the zoning density, the property meets the minimum requirement for a 2 lot subdivision
- The property had an as-is value of \$1,200,000
- As a completed two lot subdivision the resultant lots had a value of \$1,400,000

In considering these two options the following assessment of applicable costs was undertaken;

Option 1.

Sale price	\$1,200,000
Sale commission	(\$36,000) (assuming 3% of value)
Demolition costs	(\$10,000)

Nett return **\$1,154,000**

Option 2

Sale price	\$1,400,000
Subdivision costs	(\$20,000)#
Holding costs	(\$45,000)*
Demolition costs	(\$10,000)
Sale commission	(\$42,000)

Nett Return **\$ 1,283,000**

Subdivision costs are assumed at \$20,000 however may range from \$10,000-\$30,000.

* Holding costs assumes a nine month sub divisional process at 5% cash rate based on a sale price of \$1,200,000 under Option 1.

P12/3295 - DISPOSAL OF LOT 145 (NO. 35) ST MICHAEL TERRACE, MOUNT PLEASANT) (REC) (CONFIDENTIAL ATTACHMENT)

Whilst the value of property has changed since this valuation was completed in December 2010, the methodology in respect to this process remains constant and changes to valuation would affect the value of the property both on an as-is basis and as a two lot subdivision.

The net benefit from a two lot subdivision of the property projects a potential \$129,000 or 10.75% additional return over the life of the project. As the project is estimated to take an additional nine months to complete (due to statutory requirements) this equates to a 14.3% return on a per annum basis.

It is intended that if sold, the net income from the disposal of these properties will be transferred into the Land and Property Reserve to fund the future purchase of other strategic sites or commercial property.

Upon the sale of land, rate income will be generated for the City.

STRATEGIC, RISK AND ENVIRONMENTAL MANAGEMENT IMPLICATIONS

Disposal of any asset is likely to elicit a community response, therefore communication with respect to the disposal of the land will be required to be managed.

Section 3.58 of the Local Government Act requires that local public notice and consideration of any submissions received occurs with respect to any proposed disposal of the property other than by public auction.

Risk Statement	Level of Risk	Risk Mitigation Strategy
Community objects to the disposal of community assets	Low – in relation to these properties	Stakeholder management plan and communication strategy to be implemented immediately following a Council decision to dispose of the property.
Property is retained due to community concerns or Council resolution	Major – retention would likely require redevelopment of the property as local open space, and maintenance of the property once such improvements were completed. Value of asset would be unlikely to be realised once property is redeveloped as local open space	Sale of the property and use of the funds to acquire property more suited to the strategic objectives of the Council.

P12/3295 - DISPOSAL OF LOT 145 (NO. 35) ST MICHAEL TERRACE, MOUNT PLEASANT) (REC) (CONFIDENTIAL ATTACHMENT)**POLICY IMPLICATIONS**

The land presented for sale in this report is surplus to the City of Melville's requirements in accordance with Council Policy CP-005 – Property Retention and Disposal provides for a Property Classification of which determines the property to be a Category 5 property, which provides that:

“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 Council has several options in relation to the land asset. The Council could resolve not to dispose of the property and “land bank” it until a designated time in the future. This option would result in the land generally appreciating in value over time, however there would be no additional income to acquire other strategic land holding or buildings or to support other well utilised community infrastructure.

The Council could defer any decision pending further community consultation. The sale of these particular properties is not expected to be controversial or require a significant amount of further consultation.

The retention of the property and its conversion to local open space is a potential option however in making any such determination, consideration must be given as to the intent of the property since its original acquisition, the location of the property, the size of the property and the ability of the property to meet the needs of local open space functionality.

It is considered that the location and size of the property prevents it from being used effectively for local open space, the property was never acquired to meet this objective and if this is an objective of the Council then this property should still be sold and more strategically located and appropriately scaled property should be acquired for this purpose.

Council also has the option of disposing of the property without subdivision. This option enables opportunity for a quicker sale, but produces a reduced financial benefit to the City as outlined under the heading of “Financial Implications”.

P12/3295 - DISPOSAL OF LOT 145 (NO. 35) ST MICHAEL TERRACE, MOUNT PLEASANT) (REC) (CONFIDENTIAL ATTACHMENT)**CONCLUSION**

The subject property is no longer required as an infant health clinic. The building is not well suited to other uses and is in need of substantial maintenance. The site is well positioned for residential use and is suited to subdivision into two lots.

Council has previously endorsed the demolition of the subject building on the basis of its current and likely long term functionality and the high level of costs required to maintain the building and improve it to a standard appropriate for community uses.

Once the building has been removed building maintenance costs will decrease, however the property will retain an annual maintenance liability as a vacant parcel. Once the property is vacant, a decision should then be made with respect to the long term function of the property.

The property has not been identified as suitable for the delivery of community services by the Council's Community Development Directorate on the basis that the property is stand alone and does not function as part of a larger community hub model.

The scale of the property prevents it from being meaningfully used as local open space and if such a decision was taken, costs would be incurred both from the redevelopment of the property as local open space as well as the likely long term loss of the property as a saleable asset.

Council's Property Retention and Disposal Policy was written so as to enable an assessment of properties to be undertaken and to guide officers in making recommendations to Council with respect to property acquisition and disposal. In this instance the subject property is deemed to be surplus to requirements in accordance with the Council's Policy and as such is recommended for disposal.

The subdivision of the property into two lots is deemed to be the most financially appropriate course of action to take with respect to this property, yielding an appropriate annual return over the life of the project as well as creating two lots consistent with the broader lot configuration in this area of the City.

The subdivision and subsequent sale of the property is recommended for the Council's consideration

P12/3295 - DISPOSAL OF LOT 145 (NO. 35) ST MICHAEL TERRACE, MOUNT PLEASANT) (REC) (CONFIDENTIAL ATTACHMENT)

At 7.58pm Cr Reidy returned to the meeting.

OFFICER RECOMMENDATION (3295)**APPROVAL**

At 7.59pm His Worship the Mayor called for a mover and seconder of the Officer Recommendation inclusive of the amendment.

At 7.59pm Cr Robartson moved, seconded Cr Willis -

1. That the City authorise the Chief Executive Officer to proceed with the subdivision of the property located at 35 St Michael Terrace, Mount Pleasant being Lot 145 on Certificate of Title Volume 1211, Folio 709 into two lots suitable for residential development.
2. That upon subdivision of the properties located at 35 St Michael Terrace, Mount Pleasant, be disposed of in accordance with Section 3.58 of the Local Government Act 1995 and the Chief Executive Officer be authorised to engage a real estate agent to market the properties.
3. That following the completion of the statutory requirement for local public notice and if no submissions are received with respect to this proposal the Chief Executive Officer be authorised to dispose of the subject lots in accordance with Section 3.58 of the Local Government Act 1995 and in a manner that results in the highest and best value for the resultant properties.
4. That His Worship The Mayor and the Chief Executive Officer be authorised to sign the subdivision and sale of land documents to provide for subdivision and disposal of the land at of Lot 145 (No. 35) St Michael Terrace, Mount Pleasant.
5. That the net proceeds received from the disposal of these properties be transferred to the Land and Property Reserve.

Advice Note

Should public submissions be received in relation to the Section 3.58 advertising these submissions would need to be considered formally by the Council prior to Officer Recommendations 4 and 5 being actioned.

Amendment

That a new item 6 be included after item 5 in the Officer Recommendation.

6. *That the Advice Note be included in the minutes and referenced in the report.*

ADVICE NOTE

Since the publication of the agenda the following typographical changes were required to the Officer Report. The changes do not alter the conclusion or recommendations contained in the report.

P12/3295 - DISPOSAL OF LOT 145 (NO. 35) ST MICHAEL TERRACE, MOUNT PLEASANT) (REC) (CONFIDENTIAL ATTACHMENT)

The changes are outlined below:

On page 2 of the Officers report under the heading of "Key Issues / Summary":

- *Delete dot point seven:*

"The site is diagonally opposite the Mount Pleasant Primary School and nearby public open space is available at John Partlow Park (a distance of 175m)."

as it is a duplication of dot point 4.

On page 5 of the Officers report under the heading of "Financial Implications" under assessment of Option 2:

- *Replace the amount of \$4,500 under the line item of "Holding costs" with the amount of \$45,000.*
- *Replace the amount of \$1,323,500 under Nett Return with the amount of \$1,283,000.*
- *Modify the note at the bottom of page 5 to read " * Holding costs assumes a nine month sub divisional process at 5% cash rate based on a sale price of \$1,200,000 under Option 1."*

On page 6 of the Officers report in the second paragraph:

- *References to \$169,000, 15.1% and 20.2% are to be corrected to reflect the above corrections to the assessment table. The paragraph is corrected to read:*

"The net benefit from a two lot subdivision of the property projects a potential \$129,000 or 10.75% additional return over the life of the project. As the project is estimated to take an additional nine months to complete (due to statutory requirements) this equates to a 14.3% return on a per annum basis."

At 8.00pm Cr Nicholson returned to the meeting.

At 8.00pm the Mayor submitted the amendment, which was declared

CARRIED (13/0)

Reason for Amendment

Since the publication of the agenda, typographical changes were found that required correction to the Officer Report. The changes do not alter the conclusion or recommendations contained in the report but should be included and referenced to identify the items requiring correction.

P12/3295 - DISPOSAL OF LOT 145 (NO. 35) ST MICHAEL TERRACE, MOUNT PLEASANT) (REC) (CONFIDENTIAL ATTACHMENT)**COUNCIL RESOLUTION (3295)****APPROVAL**

At 8.00pm the Mayor submitted the substantive motion as amended -

1. That the City authorise the Chief Executive Officer to proceed with the subdivision of the property located at 35 St Michael Terrace, Mount Pleasant being Lot 145 on Certificate of Title Volume 1211, Folio 709 into two lots suitable for residential development.
2. That upon subdivision of the properties located at 35 St Michael Terrace, Mount Pleasant, be disposed of in accordance with Section 3.58 of the Local Government Act 1995 and the Chief Executive Officer be authorised to engage a real estate agent to market the properties.
3. That following the completion of the statutory requirement for local public notice and if no submissions are received with respect to this proposal the Chief Executive Officer be authorised to dispose of the subject lots in accordance with Section 3.58 of the Local Government Act 1995 and in a manner that results in the highest and best value for the resultant properties.
4. That His Worship The Mayor and the Chief Executive Officer be authorised to sign the subdivision and sale of land documents to provide for subdivision and disposal of the land at of Lot 145 (No. 35) St Michael Terrace, Mount Pleasant.
5. That the net proceeds received from the disposal of these properties be transferred to the Land and Property Reserve.
6. *That the Advice Note be included in the minutes and referenced in the report.*

ADVICE NOTE

Since the publication of the agenda the following typographical changes were required to the Officer Report. The changes do not alter the conclusion or recommendations contained in the report.

The changes are outlined below:

On page 2 of the Officers report under the heading of "Key Issues / Summary":

- *Delete dot point seven:*

"The site is diagonally opposite the Mount Pleasant Primary School and nearby public open space is available at John Partlow Park (a distance of 175m)."

as it is a duplication of dot point 4.

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P12/3295 - DISPOSAL OF LOT 145 (NO. 35) ST MICHAEL TERRACE, MOUNT PLEASANT) (REC) (CONFIDENTIAL ATTACHMENT)

- *Replace the amount of \$4,500 under the line item of "Holding costs" with the amount of \$45,000.*
- *Replace the amount of \$1,323,500 under Nett Return with the amount of \$1,283,000.*
- *Modify the note at the bottom of page 5 to read " * Holding costs assumes a nine month sub divisional process at 5% cash rate based on a sale price of \$1,200,000 under Option 1."*

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"The net benefit from a two lot subdivision of the property projects a potential \$129,000 or 10.75% additional return over the life of the project. As the project is estimated to take an additional nine months to complete (due to statutory requirements) this equates to a 14.3% return on a per annum basis."

Advice Note

Should public submissions be received in relation to the Section 3.58 advertising these submissions would need to be considered formally by the Council prior to Officer Recommendations 4 and 5 being actioned.

At 8.01pm the Mayor declared the motion -

CARRIED (13/0)

At 8.00pm, having declared an interest in Item M12/5216 Dr Silcox left the meeting. In his absence Mr Tieleman took the seat as Acting Chief Executive Officer.

At 8.02pm His Worship the Mayor requested that the following item be brought forward for discussion.

18.2 Rescission Motion – C09/5053 of the Ordinary Meeting of Council 21 April 2009

A Notice of Rescission Motion containing 1/3 of the number of offices of members of the Council, in accordance with Regulation 10 of the Local Government (Administration) Regulations 1996, was received from Cr Willis. The Members who signed the notice were: Cr Taylor-Rees, Cr Kinnell, Cr Hill, Cr Robartson and Cr Barton.

COUNCIL RESOLUTION

ABSOLUTE MAJORITY

At 8.03pm Cr Robartson moved, seconded Cr Kinnell -

That Cr Willis be permitted to present to the Council a Motion Without Notice relating to the Chief Executive Officer Performance Review process.

At 8.03pm the Mayor submitted the motion, which was declared

CARRIED BY ABSOLUTE MAJORITY (13/0)

COUNCIL RESOLUTION

ABSOLUTE MAJORITY APPROVAL

At 8.07pm Cr Willis moved, seconded Cr Kinnell -

That Item 1 of Resolution Number 5053 of the Ordinary Meeting of the Council held on 21 April 2009 concerning the report C09/5053 – City of Melville Chief Executive Officer Performance Review being:

- 1. That the next Chief Executive Performance Review includes feedback from the Executive Management Team.***

ADVICE NOTE

“Elected Members were of the opinion that feedback from the EMT to the performance of the Chief Executive Officer would be beneficial to the review process.”

be rescinded.

At 8.10pm the Mayor submitted the motion, which was declared

CARRIED BY ABSOLUTE MAJORITY (9/4)

**18.2 Rescission Motion – C09/5053 of the Ordinary Meeting of Council 21 April 2009
(Continued)**Reasons for Rescission Motion

Cr Willis provided the following as reasons for supporting the motion.

“Executive Management Team members are contracted senior executive staff who are responsible to the Chief Executive Officer who is responsible for reviewing their performance and package annually and eventually whether their contract is renewed.

From experience I would suggest the Executive Management Team would always respond favourably to their Chief Executive Officer.

The Staff and Community surveys are performance indicators that may be used to gauge performance.”

At 8.11pm the meeting returned to the normal order of the Agenda.

M12/5216 – CITY OF MELVILLE – CHIEF EXECUTIVE OFFICER PERFORMANCE REVIEW (REC) (ATTACHMENT)

Disclosure of Interest

Item No.	M12/5216
Member	Dr S Silcox
Type of Interest	Interest Under Code of Conduct
Nature of Interest	Relates to Chief Executive Officer Performance
Request	To leave the meeting
Decision of Council	Not Applicable
Ward	: All
Category	: Operational
Subject Index	: Personnel file
Customer Index	: Not Applicable
Disclosure of any Interest	: No Officer involved in the preparation of this report has a declarable interest in this matter.
Previous Items	: Item M11/5157 – Chief Executive Officer Performance Review – Ordinary Meeting of Council - May 2011 Item M11/5188 – Chief Executive Officer Contract – Ordinary Meeting of Council - June 2011
Works Programme	: Not Applicable
Funding	: Not Applicable
Responsible Officer	: Kylie Johnson Executive Manager Organisational Development

AUTHORITY / DISCRETION

DEFINITION

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

**M12/5216 – CITY OF MELVILLE – CHIEF EXECUTIVE OFFICER PERFORMANCE
REVIEW (REC) (ATTACHMENT)****KEY ISSUES / SUMMARY**

- In June 2011, through Council resolution (5188), by absolute majority decision, a five year contract with the Chief Executive Officer (CEO), effective 20 March 2011 was adopted.
- The Governance Committee has been determined through Council to be the reviewers of the CEO performance.
- The Governance Committee will discuss the CEO performance, future expectations and performance criteria, and review the salary package, for recommendation to Council.
- A defined process is proposed for the CEO performance review, as detailed in the agenda item.
- The proposed process reflects enhancements on the previous process, based on feedback received during the last performance review.

BACKGROUND

On 20 March 2008 Dr Shayne Silcox commenced in the role of Chief Executive Officer (CEO) at the City of Melville. The last performance review was finalised in May 2011, and resulted in a new five year contract being adopted by Council. The contract was adopted by an absolute majority decision of Council in June 2011, and made effective from 20 March 2011 in accordance with Council resolution (5175).

Clause 7 of the CEO contract details that there also needs to be a review of remuneration on an annual basis at a time that is no later than three months after the anniversary of the commencement date.

DETAIL

The Chief Executive Officer performance review process that is recommended will commence once the Council has endorsed the stages to be followed, as per the attachment: [5216 Chief Executive Officer Performance Review \(Amended\)](#).

The proposed process has been enhanced from the previous year based on feedback received from those involved in the process. The adjustments have included:

1. For the Governance Committee to recommend the consultant to facilitate the performance review process. The previous process only involved providing comment.

**M12/5216 – CITY OF MELVILLE – CHIEF EXECUTIVE OFFICER PERFORMANCE
REVIEW (REC) (ATTACHMENT)**

2. Enhancing the formal consultation between the consultant and Elected Members on their survey feedback, and discussion on the performance criteria for the following year.

This will be formalised through a summary report to the Governance Committee from the Consultant, which incorporates the survey data and comments.

3. Clarification that the consultant is to provide the Governance Committee with relevant remuneration related information including Salaries and Allowances Tribunal information, and general salary market movements.
4. Clarification of the final process steps whereby the Mayor advises the Chief Executive Officer of the Council decision and the Executive Manager Organisational Development is to formalise the decision in writing through a contract variation, as appropriate.

It is noted that there were suggestions for improvement of the survey document and this remains a formal step in the review process, which is undertaken by the Governance Committee.

PUBLIC CONSULTATION/COMMUNICATION

There are no public consultation/communication aspects relating to this item.

CONSULTATION WITH OTHER AGENCIES / CONSULTANTS

There has been no consultation with any other agencies/consultants at this stage, although there will be future involvement with respect to appointment of a consultant as identified in the proposed process of the CEO review.

STATUTORY AND LEGAL IMPLICATIONS

Section 5.16(1) of the Local Government Act 1995, states that "Under and subject to section 5.17, a local government may delegate* to a committee any of its powers and duties other than this power of delegation" * Absolute majority required.

Section 5.38 of the Local Government Act 1995 states the need to review a CEO's performance at least once a year in relation to every year of employment.

Section 5.39 (7) of the Local Government Act 1995 requires a report from the Salaries and Allowances Tribunal with a recommendation as to the remuneration to be paid or provided to a CEO to be taken into account by the local government before entering into, or renewing a contract of employment with a CEO. Although this section of the Local Government Act does not include salary reviews this information has been included in the comparative salary data for consideration by the Council when assessing salary.

**M12/5216 – CITY OF MELVILLE – CHIEF EXECUTIVE OFFICER PERFORMANCE
REVIEW (REC) (ATTACHMENT)**

Section 5.23 (2)(a) of the Local Government Act 1995 states that a meeting by a Council or Committee, or part of a meeting, may be closed to members of the public if a matter affecting an employee is being dealt with.

FINANCIAL IMPLICATIONS

The cost of a facilitator to assist with the Performance Review process is within the current operational budget.

STRATEGIC, RISK AND ENVIRONMENTAL MANAGEMENT IMPLICATIONS

Risk Statement	Level of Risk	Risk Mitigation Strategy
That the performance criteria for the next twelve months are not determined	Low	Defined process that includes this stage

POLICY IMPLICATIONS

There are no policy implications applicable.

ALTERNATE OPTIONS AND THEIR IMPLICATIONS

An alternate option is that in accordance with section 5.16 of the Local Government Act 1995, the Council delegates to the Governance Committee all the powers, functions and duties necessary to select and appoint an external consultant to facilitate the performance review process of the Chief Executive Officer.

The implication of this option is that the Governance Committee meetings would require public notice so that the public are invited to attend the meeting. The current proposal is that the Committee formally recommend the Consultant and the authority for appointment remains an operational authority of the Executive Manager Organisational Development.

M12/5216 – CITY OF MELVILLE – CHIEF EXECUTIVE OFFICER PERFORMANCE REVIEW (REC) (ATTACHMENT)**CONCLUSION**

The CEO performance review process provides feedback opportunities to the Council and Chief Executive Officer on performance over the past twelve months, and clarifies future expectations, which are to be reflected in the performance criteria of the Chief Executive Officer's Contract.

An outcome of the process is resolution by the Council in relation to the Performance Criteria and Salary Review for the Chief Executive Officer.

OFFICER RECOMMENDATION (5216)**APPROVAL**

At 8.12pm Cr Willis moved, seconded Cr Nicholson -

That the process proposed in Attachment 5216 Chief Executive Officer Performance Review for the Chief Executive Officer performance review be endorsed.

Amendment

At 8.12pm Cr Willis moved, seconded Cr Nicholson -

That the Officer Recommendation be amended by

- inserting the word "amended" before the word "process"***
- replacing the word "endorsed" with the word "adopted"***
- in the process map replacing the word "Facilitator" with the words "Performance Review Consultant"***
- in the process map deleting "EMT" for the survey (5 April)***
- in the process map adding "Council" and "Governance Committee" to the legend and recolouring appropriate actions accordingly***

At 8.23pm the Mayor submitted the amendment, which was declared

CARRIED (12/1)**Reasons for Amendment**

Cr Willis provided the following reasons supporting the motion -

"The amended process proposed is to clarify the role and delegation for the Governance Committee. It is proposed that the Mayor, being the Chairman of the Governance Committee, provides a lead role in advising the Performance Review Consultant and the Chief Executive Officer as required by the Governance Committee.

The Executive Manager Organisational Development's role is proposed to be one of administration and coordination to assist the Governance Committee and the Council."

**M12/5216 – CITY OF MELVILLE – CHIEF EXECUTIVE OFFICER PERFORMANCE
REVIEW (REC) (ATTACHMENT)****COUNCIL RESOLUTION (5216)****APPROVAL**

At 8.23pm the Mayor submitted the substantive motion as amended –

**That the *amended* process proposed in Attachment 5216 Chief Executive Officer
Performance Review for the Chief Executive Officer performance review be *adopted*.**

At 8.23pm the Mayor declared the motion

CARRIED (13/0)

At 8.25pm Ms Johnson left the meeting.

At 8.25pm Dr Silcox returned to the meeting and Mr Tieleman vacated the seat as Acting Chief Executive Officer.

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

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

KEY ISSUES / SUMMARY

This report details the documents to which the City of Melville Common Seal has been applied for the period from 27 January 2012 up to and including 23 February 2012 and recommends that the information be noted.

C12/5000 – COMMON SEAL REGISTER (REC)

BACKGROUND

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

DETAIL

Register Reference	Party	Description	File Reference
540	City of Melville and Booragoon Occasional Care	Lease renewal for Booragoon Occasional Care for a further five years	2420748
630	City of Melville and Melville Water Polo Club	Deed of variation to the lease between the City of Melville and Melville Water Polo Club	2641711

PUBLIC CONSULTATION/COMMUNICATION

Not applicable.

CONSULTATION WITH OTHER AGENCIES / CONSULTANTS

Not applicable.

STATUTORY AND LEGAL IMPLICATIONS

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

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

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

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

FINANCIAL IMPLICATIONS

Not applicable.

C12/5000 – COMMON SEAL REGISTER (REC)**STRATEGIC, RISK AND ENVIRONMENTAL MANAGEMENT IMPLICATIONS**

Not applicable.

POLICY IMPLICATIONS

Not applicable.

ALTERNATE OPTIONS AND THEIR IMPLICATIONS

Not applicable.

CONCLUSION

This is a standard report for Elected Members information.

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

That the action of His Worship the Mayor and the Chief Executive Officer in executing the documents listed under the Common Seal of the City of Melville from 27 January 2012 up to and including 23 February 2012, be noted.

At 8.25pm the Mayor submitted the motion, which was declared

CARRIED EN BLOC (12/0)

C12/5218 – REVIEW OF GOVERNANCE COMMITTEE CHARTER (REC) (ATTACHMENT)

Ward	: All
Category	: Policy
Subject Index	: Audit - Financial – Policies, Procedures, Meeting Agenda and Minutes
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	: C06/5024B – Occasional Committees and Portfolios – Ordinary Meeting of the Council – September 2006
Works Programme	: Not Applicable
Funding	: Not Applicable
Responsible Officer	: Jeff Clark Governance & Compliance Program Manager

AUTHORITY / DISCRETION

DEFINITION

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<input type="checkbox"/>	Legislative	<i>includes adopting local laws, town planning schemes & policies.</i>
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C12/5218 – REVIEW OF GOVERNANCE COMMITTEE CHARTER (REC) (ATTACHMENT)**KEY ISSUES / SUMMARY**

- The Governance Committee Charter has not been reviewed since 2006.
- A review of the Charter has been conducted and is the subject of this report.

BACKGROUND

The previous review of the Committee's Charter was reported in September 2006. The Charter requires review to be consistent with the Council's expectations of the Committee.

DETAIL

The Charter [5218 Governance Committee Charter](#) of the Governance Committee has been reviewed and the following items were considered to require amendment to ensure the Charter is consistent with the Council's expectations of the role of the Committee. There are some items where a power and/or duty have been delegated by the Council and they have been removed in this review. Where a power or duty is delegated, then on all occasions when the Committee meets, the meeting time, date and location must be advertised and the meeting is required to be open to the public. The reports to the Governance Committee often are confidential and discussed behind closed doors as required by the Local Government Act 1995 (the Act) which would mean that any members of the public who attended would be excluded shortly after the meeting commenced. To provide transparency and accountability, the Committee would make recommendations to the Council and decisions would be included in the minutes of the Council meeting.

Objectives/Terms of Reference

1. The provision of Executive Powers during Council recess has been deleted. In the event that a matter requires an urgent decision of the Council, a Special Meeting of the Council would be convened.
2. The objective relating to payment of allowances and reimbursement of expenses has been amended to remove the "decision making authority" and it has been replaced with the responsibility to make recommendations to the Council.
3. The objective relating to assisting the Council to develop a vision to be articulated in the Community and Corporate Plan is recommended for deletion as the development of the vision of the Plan is an outcome of a series of workshops and then reported to the Council. The comment in "Responsibilities" concerning the Community and Corporate Plan is also recommended for deletion.

C12/5218 – REVIEW OF GOVERNANCE COMMITTEE CHARTER (REC) (ATTACHMENT)**Meetings**

1. The meeting frequency has been amended from “at least four (4) times per annum” to “as required”. The Governance Committee has primarily met to consider the annual review of the Chief Executive’s performance and has not found a need to meet for other matters in the recent past apart from one occasion in December 2011. The revised Charter is expected to increase the role of the Committee and will increase the number of meetings. However a set number of meetings does not necessarily assist the review of the governance processes or the Committee to acquit its responsibilities.
2. The paragraph describing why meetings of the Committee should be open to the public and the circumstances relating to closure of the meetings to the public in specific circumstances has been deleted as it was considered superfluous.
3. The reference to an annual review of the Code of Conduct has been deleted as this review is considered to be part of the normal administration of the City. Previously there existed a legislated requirement to review the Code within 12 months of an election, however this provision has been removed.
4. Specifying that the Committee will perform the annual performance review of the Chief Executive Officer has been amended to include a responsibility to make recommendations to the Council.
5. The requirement that the Committee will review all policies other than the policies dealt with by the Financial Management, Audit, Risk and Compliance Committee is considered onerous and does not inform the full Council of proposed changes to policies. The responsibility has been amended that the Committee ensure a policy review occurs every two years of all Council policies.
6. The Committee’s responsibility has been amended from “determining” to responsibility of assessing and recommending to the Council where an Elected Member has claimed for an allowance or reimbursement that exceeds the Council’s policy amounts.
7. The Committee’s responsibility has been amended from “determining” to “review all aspects of Civic Functions and Receptions in accordance with the “Civic and Ceremonial Functions” and also to review the policy. Previously, the Committee was empowered to “determine the number and types of Civic Functions and Receptions”. The power to “determine” would require the meeting to be open to the public.
8. One new item has been added as follows:
 - Ensuring that appropriate professional development is available to Elected Members and that the new Elected Member induction program is relevant;
9. The reference to ““Ensuring the outcomes of consultation..” has been amended to read: as below. The change will ensure that the prime document relating to stakeholder relationship management contains all of the Council’s requirements in stakeholder relationship management.
 - Ensuring that the City of Melville has a documented approach to stakeholder relationship management in the City

C12/5218 – REVIEW OF GOVERNANCE COMMITTEE CHARTER (REC) (ATTACHMENT)

Responsibilities

The full section of “Responsibilities” has been deleted as it mainly repeated the items addressed in the Objectives/Terms of Reference section. The introduction to Responsibilities has been brought to the Objectives/Terms section as it provides clarity on the role of the Committee.

The Committee does not have a delegation or power other than to review matters described in the Charter and refer decisions and recommendations to the Council.

PUBLIC CONSULTATION/COMMUNICATION

Not applicable.

CONSULTATION WITH OTHER AGENCIES / CONSULTANTS

Not applicable.

STATUTORY AND LEGAL IMPLICATIONS

The Local Government Act 1995 at Section 5.8 provides:

*“5.8. Establishment of committees
A local government may establish* committees of 3 or more persons to assist the council and to exercise the powers and discharge the duties of the local government that can be delegated to committees.”*

FINANCIAL IMPLICATIONS

There are no financial implications associated with this report.

STRATEGIC, RISK AND ENVIRONMENTAL MANAGEMENT IMPLICATIONS

The review of the Governance Committee’s Charter ensures that it is consistent with the requirements of the Council.

Risk Statement	Level of Risk	Risk Mitigation Strategy
That the Administration undertakes financial functions without appropriate review by the Council or a Committee	High	Ensure the Committee Charter identifies and lists matters that must be examined at an appropriate time.

C12/5218 – REVIEW OF GOVERNANCE COMMITTEE CHARTER (REC) (ATTACHMENT)**POLICY IMPLICATIONS**

The Governance Committee will ensure a policy review is conducted every two years.

ALTERNATE OPTIONS AND THEIR IMPLICATIONS

The review of the Charter does not present an alternative option.

CONCLUSION**OFFICER RECOMMENDATION (5218)****APPROVAL**

At 8.25pm Cr Robartson moved, seconded Cr Reidy -

**That the Governance Committee Charter as attached be approved.
5218 Governance Committee Charter**

Amendment 1

At 8.25pm Cr Nicholson moved, seconded Cr Pazolli –

That the Governance Charter be amended at the third dot point at section 4 Meetings, by deleting the words “and written reports” and inserting the replacement words “letters and all written reports/statements”

At 8.46pm the Mayor submitted the amendment, which was declared

LOST (6/7)**Reasons for Amendment**

Cr Nicholson provided the following reasons supporting the motion.

“Any documents, letters, advice notes, etc that is of any import, should be presented to the Committee members well in advance of their requirement to vote on the recommendation, motion, etc.

This is to allow a proper assimilation and pre-thought by the members to be applied to the matter at hand hence resulting in a rational decision based on all the facts. Distinguishing between a letter and a report is semantics and has no place in an open and accountable government.”

C12/5218 – REVIEW OF GOVERNANCE COMMITTEE CHARTER (REC) (ATTACHMENT)Amendment 2

At 8.46pm Cr Pazolli moved, seconded Cr Nicholson –

That the Council defer the adoption of the Governance Committee Charter to allow a further discussion on the Charter at an Elected Members Information Session prior to being represented to the Council at a subsequent meeting.

At 8.53pm the Mayor submitted the amendment, which was declared

LOST (6/7)

OFFICER RECOMMENDATION & COUNCIL RESOLUTION (5218)

APPROVAL

At 8.54pm the Mayor submitted the Officer Recommendation -

That the Governance Committee Charter as attached be approved.
[5218 Governance Committee Charter](#)

At 8.54pm the Mayor declared the motion

CARRIED (8/5)

Cr Nicholson requested that the votes be recorded -

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

Against: Cr Barton, Cr Nicholson, Cr Pazolli, Cr Taylor-Rees, and Cr Willis

At 8.55pm Cr Foxton left the meeting

At 8.55pm Cr Macphail left the meeting

C12/6000 - INVESTMENT STATEMENTS (REC)

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

AUTHORITY / DISCRETION

DEFINITION

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

KEY ISSUES / SUMMARY

- This report presents the investment statements for the month of January 2012 and recommends that the information detailed in the report be noted.
- No credit events were recorded in relation to the City's Collateralised Debt Obligation (CDO) investments in January 2012.
- The City received the full redemption of a Westpac Authorised Deposit Taking Institutions deposit (ADI) with a face value of \$1,000,000 in January 2012.
- Monthly valuations for ADIs and CDOs shown for January are based on valuations as at 31 January 2012 from CPG Research and Advisory.

C12/6000 - INVESTMENT STATEMENTS (REC)

BACKGROUND

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

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

DETAIL

Summary details of investments held as at the end of January 2012 are shown in the tables below.

CITY OF MELVILLE
STATEMENT OF INVESTMENTS
FOR THE PERIOD ENDING 31 JANUARY 2012

SUMMARY BY FUND	PURCHASE PRICE \$	MANAGEMENT VALUE AT 30/06/2011 \$	ESTIMATED CURRENT MARKET VALUE \$	BOOK PROFIT/(LOSS) \$	BOOK PROFIT/(LOSS) %
MUNICIPAL	\$ 49,454,798	\$ 49,454,798	\$ 49,454,798	\$ -	0.00%
RESERVE	\$ 53,376,991	\$ 37,072,887	\$ 41,533,091	\$ 4,460,204	8.36%
TRUST	\$ 505,818	\$ 505,818	\$ 505,818	\$ -	0.00%
CRF	\$ 183,184	\$ 183,184	\$ 183,184	\$ -	0.00%
	\$ 103,520,790	\$ 87,216,686	\$ 91,676,890	\$ 4,460,204	4.31%

SUMMARY BY INVESTMENT TYPE	PURCHASE PRICE \$	MANAGEMENT VALUE AT 30/06/2011 \$	ESTIMATED CURRENT MARKET VALUE \$	BOOK PROFIT/(LOSS) \$	BOOK PROFIT/(LOSS) %
ADI	\$ 2,500,000	\$ 2,466,215	\$ 2,499,685	\$ 33,470	1.34%
CDO	\$ 17,920,000	\$ 1,649,681	\$ 6,076,415	\$ 4,426,734	24.70%
BOND	\$ 2,000,000	\$ 2,000,000	\$ 2,000,000	\$ -	0.00%
FRN	\$ 8,000,000	\$ 8,000,000	\$ 8,000,000	\$ -	0.00%
FRTD	\$ 2,500,000	\$ 2,500,000	\$ 2,500,000	\$ -	0.00%
TERM DEPOSIT	\$ 65,169,738	\$ 65,169,738	\$ 65,169,738	\$ -	0.00%
11AM	\$ 5,200,407	\$ 5,200,407	\$ 5,200,407	\$ -	0.00%
UNITS (Local Govt Hse)	\$ 230,645	\$ 230,645	\$ 230,645	\$ -	0.00%
	\$ 103,520,790	\$ 87,216,686	\$ 91,676,890	\$ 4,460,204	4.31%

SUMMARY BY CREDIT RATING	PURCHASE PRICE \$	MANAGEMENT VALUE AT 30/06/2011 \$	ESTIMATED CURRENT MARKET VALUE \$	BOOK PROFIT/(LOSS) \$	BOOK PROFIT/(LOSS) %
AA	\$ 1,500,000	\$ 1,500,000	\$ 1,500,000	\$ -	0.00%
AA-	\$ 70,570,145	\$ 70,570,145	\$ 70,570,145	\$ -	0.00%
A+	\$ 6,300,000	\$ 6,300,000	\$ 6,300,000	\$ -	0.00%
A	\$ 2,000,000	\$ 1,969,715	\$ 1,996,535	\$ 26,820	1.34%
A-	\$ 1,000,000	\$ 996,500	\$ 1,003,150	\$ 6,650	0.67%
BBB+	\$ 2,000,000	\$ 2,000,000	\$ 2,000,000	\$ -	0.00%
CCC	\$ -	\$ -	\$ -	\$ -	0.00%
CCC-	\$ -	\$ -	\$ -	\$ -	0.00%
NR	\$ 17,920,000	\$ 1,649,681	\$ 6,076,415	\$ 4,426,734	24.70%
UNITS (Local Govt Hse)	\$ 230,645	\$ 230,645	\$ 230,645	\$ -	0.00%
	\$ 103,520,790	\$ 87,216,686	\$ 91,676,890	\$ 4,460,204	4.31%

C12/6000 - INVESTMENT STATEMENTS (REC)

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

CITY OF MELVILLE STATEMENT OF INVESTMENTS FOR THE PERIOD ENDING 31 JANUARY 2012									
INSTITUTION / INVESTMENT	RISK of IMPAIRMENT	INVESTMENT TYPE	Current Interest Rate %	S & P RATING	FACE VALUE \$	BOOK VALUE AT 30/6/2011 \$	CURRENT EST MARKET VALUE \$	INVESTMENT GAIN / (LOSS) SINCE 30/6/10 \$	MATURITY DATE
BANKWEST (11AM)		11AM	4.25%	AA-	\$1,600,000	\$1,600,000	\$1,600,000	\$0	On call
WESTPAC (MAXI DIRECT)		11AM	4.80%	AA-	\$3,600,000	\$3,600,000	\$3,600,000	\$0	On call
WESTPAC (MAXI BONUS 1)		11AM	5.20%	AA-	\$407	\$407	\$407	\$0	On call
WESTPAC (MAXI BONUS 2)		11AM	5.20%	AA-	\$0	\$0	\$0	\$0	On call
					\$5,200,407	\$5,200,407	\$5,200,407	\$0	
BANKWEST (TERM)		TERM	Various	AA-	\$11,869,738	\$11,869,738	\$11,869,738	\$0	Various
COMMONWEALTH BANK (TERM)		TERM	Various	AA-	\$5,200,000	\$5,200,000	\$5,200,000	\$0	Various
SUNCORP METWAY LTD (TERM)		TERM	Various	A+	\$6,300,000	\$6,300,000	\$6,300,000	\$0	Various
NAB (TERM)		TERM	Various	AA-	\$12,600,000	\$12,600,000	\$12,600,000	\$0	Various
ST GEORGE BANK (TERM)		TERM	Various	AA-	\$13,900,000	\$13,900,000	\$13,900,000	\$0	Various
RABODIRECT (TERM)		TERM	6.00%	AA	\$1,500,000	\$1,500,000	\$1,500,000	\$0	20-Feb-12
WESTPAC (TERM)		TERM	Various	AA-	\$13,800,000	\$13,800,000	\$13,800,000	\$0	Various
					\$65,169,738	\$65,169,738	\$65,169,738	\$0	
BANK OF QUEENSLAND (FLOAT RATE TD)		FRTD	6.42%	BBB+	\$2,000,000	\$2,000,000	\$2,000,000	\$0	30-Sep-13
ING BANK		FRTD	5.69%	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)		FRN	6.10%	AAA	\$2,000,000	\$2,000,000	\$2,000,000	\$0	25-Jan-17
COMMONWEALTH BANK (RETAIL BOND)		FRN	5.81%	AA	\$2,000,000	\$2,000,000	\$2,000,000	\$0	20-Dec-15
COMMONWEALTH BANK (FRN)		FRN	6.10%	AA	\$2,000,000	\$2,000,000	\$2,000,000	\$0	2-Aug-16
NAB (FRN)		FRN	5.38%	AA-	\$2,000,000	\$2,000,000	\$2,000,000	\$0	16-Sep-14
NAB (FRN)		FRN	5.61%	AA-	\$2,000,000	\$2,000,000	\$2,000,000	\$0	21-Jun-16
					\$10,000,000	\$10,000,000	\$10,000,000	\$0	
ADELAIDE BANK	Very Low	ADI	4.85%	A-	\$1,000,000	\$996,500	\$1,003,150	\$6,650	28-Mar-12
MACQUARIE BANK	Very Low	ADI	4.95%	A	\$1,500,000	\$1,469,715	\$1,496,535	\$26,820	31-May-12
APHEX (GLENELG)	High	CDO	6.17%	NR	\$2,000,000	\$122,833	\$434,240	\$311,407	22-Dec-14
BERYL FINANCE GLOBAL BANK NOTE	Early Term.	CDO	0.00%	NR	\$2,000,000	\$1	\$1,200,000	\$1,199,999	20-Sep-14
BERYL FINANCE GLOBAL BANK NOTE 2	Early Term.	CDO	0.00%	NR	\$450,000	\$1	\$270,000	\$269,999	20-Sep-14
CORSAIR (CAYMAN) KAKADU	High	CDO	5.83%	NR	\$1,500,000	\$75,255	\$259,845	\$184,590	20-Mar-14
CORSAIR (CAYMAN) TORQUAY	Very High	CDO	6.31%	NR	\$1,885,000	\$22,493	\$214	-\$22,279	20-Jun-13
ETHICAL LIMITED GREEN	High	CDO	5.99%	NR	\$1,000,000	\$10,758	\$87,124	\$76,366	20-Mar-14
HELIUM CAPITAL (ESPERANCE)	High	CDO	6.69%	NR	\$1,800,000	\$347,317	\$303,312	-\$44,005	20-Mar-13
MAGNOLIA FLINDERS	Moderate	CDO	5.93%	NR	\$2,000,000	\$966,372	\$1,974,480	\$1,008,108	20-Mar-12
MANAGED ACES CLASS 11A PARKES	Very High	CDO	7.73%	NR	\$1,000,000	\$2,934	\$833	-\$2,101	20-Jun-15
MANAGED ACES CLASS 1A PARKES	High	CDO	6.06%	NR	\$1,050,000	\$10,269	\$28,728	\$18,459	20-Jun-15
OMEGA CAPITAL CLASS A HENLEY	Moderate	CDO	5.27%	NR	\$385,000	\$80,689	\$377,639	\$296,950	22-Jun-12
ZIRCON FINANCE COOLANGATTA	Early Term.	CDO	0.00%	NR	\$1,500,000	\$9,095	\$600,000	\$590,905	20-Sep-14
ZIRCON FINANCE MERIMBULA	Early Term.	CDO	0.00%	NR	\$500,000	\$1,663	\$200,000	\$198,337	20-Jun-13
ZIRCON FINANCE MIAMI	Early Term.	CDO	0.00%	NR	\$850,000	\$1	\$340,000	\$339,999	20-Mar-17
					\$20,420,000	\$4,115,896	\$8,576,100	\$4,460,204	
UNITS IN LOCAL GOVT HOUSE		UNITS			\$230,645	\$230,645	\$230,645	\$0	
TOTAL FUNDS INVESTED					\$103,520,790	\$87,216,686	\$91,676,890	\$4,460,204	

CREDIT RISK COMPARISON

CREDIT RISK	PURCHASE PRICE \$	CURRENT ESTIMATED MARKET VALUE	ACTUAL PROPORTION	MAX. % AMOUNT IN TOTAL PORTFOLIO	Comments
AA	\$5,500,000	\$5,500,000	6%	80%	
AA-	\$66,570,145	\$66,570,145	73%	80%	
A+	\$6,300,000	\$6,300,000	7%	50%	
A	\$2,000,000	\$1,996,535	2%	50%	
A-	\$1,000,000	\$1,003,150	1%	50%	
BBB+	\$2,000,000	\$2,000,000	2%	20%	
NR	\$17,920,000	\$6,076,415	7%	0%	Purchased Prior To Policy Change
UNITS IN LOCAL GOVT: HOUSE	\$230,645	\$230,645	0%	0.1%	Council Decision
TOTAL	103,520,790	91,676,890	100%		

C12/6000 - INVESTMENT STATEMENTS (REC)
DIVERSIFICATION RISK

INSTITUTION	INVESTMENT TYPE	S & P RATING	CURRENT ESTIMATED MARKET VALUE	ACTUAL PROPORTION	INSTITUTION PROPORTION	MAX. % WITH ANY ONE INSTITUTION	Comments
BANKWEST (11AM)	11AM	AA-	1,600,000	1.75%		20%	
BANKWEST (TERM)	TERM	AA-	11,869,738	12.95%	14.69%	20%	
BANK OF QUEENSLAND (FLOAT RATE TD)	FRTD	BBB+	2,000,000	2.18%	2.18%	10%	
COMMONWEALTH BANK (TERM)	TERM	AA-	5,200,000	5.67%		20%	
COMMONWEALTH BANK (COVERED BOND)	FRN	AAA	2,000,000	2.18%		20%	
COMMONWEALTH BANK (RETAIL BOND)	FRN	AA	2,000,000	2.18%		20%	
COMMONWEALTH BANK (FRN)	FRN	AA	2,000,000	2.18%	12.22%		
ING BANK	FRTD	A	500,000	0.55%	0.55%	15%	
MACQUARIE BANK	ADI	A	1,496,535	1.63%	1.63%	15%	
NAB (FRN)	FRN	AA-	4,000,000	4.36%		20%	
NAB (TERM)	TERM	AA-	12,600,000	13.74%	18.11%	20%	
RABODIRECT (TERM)	TERM	AA	1,500,000	1.64%	1.64%	15%	
ST GEORGE BANK (TERM)	TERM	AA-	13,900,000	15.16%	15.16%	20%	
SUNCORP METWAY LTD (TERM)	TERM	A+	6,300,000	6.87%	6.87%	15%	
WESTPAC (MAXI BONUS 1)	11AM	AA-	407	0.00%		20%	
WESTPAC (MAXI BONUS 2)	11AM	AA-	-	0.00%		20%	
WESTPAC (MAXI DIRECT)	11AM	AA-	3,600,000	3.93%		20%	
WESTPAC (TERM)	TERM	AA-	13,800,000	15.05%	18.98%	20%	
ADELAIDE BANK	ADI	A-	1,003,150	1.09%	1.09%	10%	
CDO - Various	CDO		6,076,415	6.63%	6.63%	0%	Purchased Prior To Policy Change
UNITS IN LOCAL GOVT HOUSE	UNITS		230,645	0.25%	0.25%		
			\$91,676,890	100%	100%		

MATURITY COMPARISON

TERM to MATURITY	CURRENT ESTIMATED MARKET VALUE	ACTUAL PROPORTION	MAX. % IN ANY ONE YEAR	Comments
MUNICIPAL & TRUST FUNDS				
< 1 year	49,729,971	100%	100%	
	49,729,971	100%		
RESERVE FUNDS				
< 1 year	24,312,260	59%	100%	
< 2 years	2,503,526	6%	80%	
< 3 years	4,851,209	12%	80%	
< 4 years	2,029,561	5%	40%	
< 5 years	6,000,000	14%	40%	
> 5 years	1,836,535	4%	20%	
	41,533,091	100%		

The values ascribed to Authorised Deposit Taking Institutions (ADIs) by the City's independent financial advisers are based on current market evidence. Positive improvements in the market since 30 June 2011 are evident by an increase in market valuations. These valuations assume that the City will be required to sell these investments prior to maturity. The City is however a holder to maturity of these investments as there is no need to sell ADIs. There is therefore no reason to expect that any losses will be incurred. Recent repurchases by the issuing banks at their full value supports this view. In January 2012, a Westpac ADI with a face value of \$1,000,000 was repurchased at its full face value.

Since 30 June 2009, \$15,000,000 worth of ADIs has been repurchased by the issuing banks. These had been written down in previous financial years, to a book value of \$14,738,160. A book profit of \$261,840 has therefore been realised. The City expects that the remaining two ADIs will be repurchased by the issuing banks as they reach their call dates over the next three months.

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

C12/6000 - INVESTMENT STATEMENTS (REC)

Monthly valuations for ADIs and CDOs shown for January are based on valuations obtained from CPG Research and Advisory as at 31 January 2012. When compared to the valuations used as at 30 June 2011, valuations obtained from CPG as at 31 January 2012 show that:

- ADIs have increased in value by \$33,470.
- CDOs have increased in value by \$4,426,734.

Lehman Brothers arranged CDOs have experienced an increase, as heightened investor expectations of a favourable ruling in the courts grew 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.

Some of the non Lehman Brothers arranged CDOs continue to pay coupon payments based on the full amount invested whilst those CDO's that have suffered an erosion of credit support and therefore underlying principal pay interest at a reduced rate depending on the extent of the principal loss experienced. Based on previous independent advice from a number of sources, the City's policy has been to continue to hold these investments to maturity unless opportunities to sell at realistic values are presented. No realistic offers have been received to date.

It should be noted that CDOs are structured in such a manner so as to provide for a level of defaults of a number of the entities referenced by the CDOs before there is loss of value at maturity of the CDOs themselves. Further investment in CDOs is specifically excluded under the City's current Investment Policy

Credit Ratings and Credit Events

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

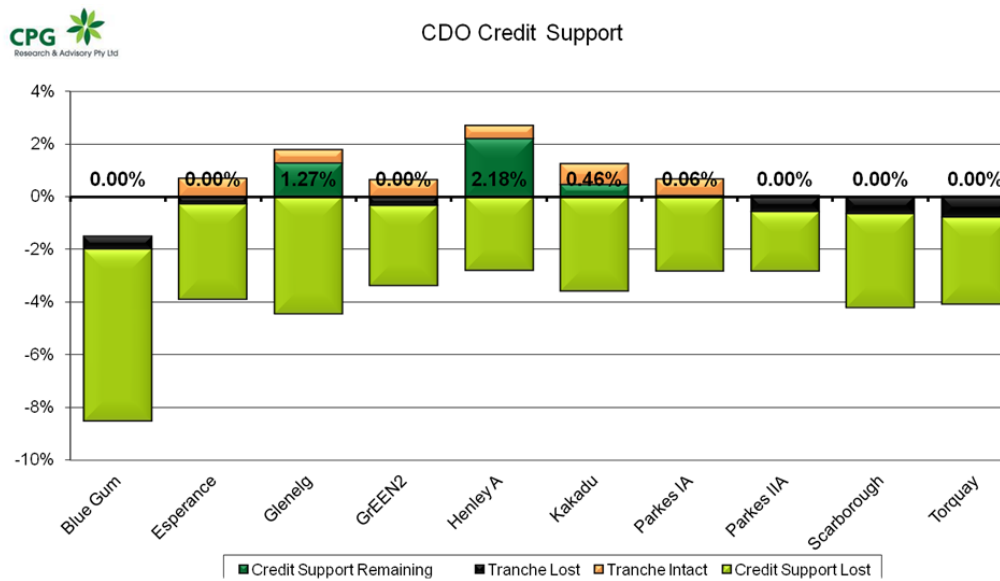
Twenty one credit events impacting the City's CDO investments have now been recorded to date. The Companies involved are PMI Group, AMBAC Financial, Takefuji, AMBAC Assurance, AIFUL, Tribune, Thomson, Financial Guaranty Insurance Company (FGIC), XL Capital Assurance, Bank TuranAlem, Idearc, Federal National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

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

C12/6000 - INVESTMENT STATEMENTS (REC)

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

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



C12/6000 - INVESTMENT STATEMENTS (REC)

CDO Arranger Face Value	No. of Credit Events	Remaining Credit Support before FIRST Loss of Principal	Remaining Credit Support before TOTAL Loss of Principal	Comments
Aphex Glenelg Arranger: Nomura International \$2.0m	7 credit events: Takefuji, AIFUL, Thomson, Lehman's, Landsbanki, CIT Group & PMI Group.	2.0	2.79	
Beryl Finance Global Bank Note Arranger: Lehman Brothers \$2.45m	Nil credit events:	1	N/A	Terminated due to Lehman bankruptcy – In legal dispute re collateral
Corsair Cayman Kakadu Arranger: J.P. Morgan Australia \$1.5m	11 credit events: AMBAC Assurance, AIFUL, XL Capital Assurance, Freddie Mac, Fannie Mae, Lehman's, WaMu, Kaupthing, CIT Group, Anglo Irish Bank & PMI Group	1	1	Very high likelihood of total default.
Corsair Cayman Torquay Arranger: J.P. Morgan Australia \$1.885m	11 credit events: AMBAC Assurance, AIFUL, XL Capital Assurance, Idearc, Freddie Mac, Lehman, WaMu, Glitnir, Kaupthing, CIT Group & PMI Group	-2.0	-2.0	Loss (98.6%) of principal has occurred. Very high likelihood of total default.
Ethical Limited Green Arranger: J.P. Morgan Australia \$1.0m	9 credit events: AMBAC Assurance, XL Capital Assurance, Idearc, Lehman's, WaMu, Glitnir, Kaupthing, CIT Group & PMI Group	-0.9	1.75	Partial loss (35.1%) of principal has occurred. Very high likelihood of total default.
Helium Capital Esperance Arranger: Merrill Lynch International \$1.80m	7 credit events: PMI Group, Idearc, Tribune, Thomson, Lehman's, AMBAC Assurance & CIT Group.	-0.5	0.67	Partial loss (30.3%) of principal has occurred. Very high likelihood of total default..

C12/6000 - INVESTMENT STATEMENTS (REC)

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

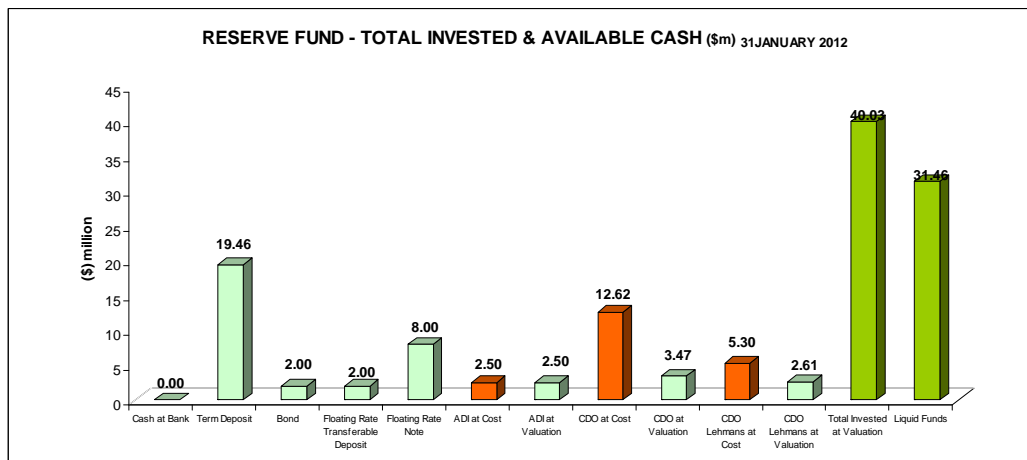
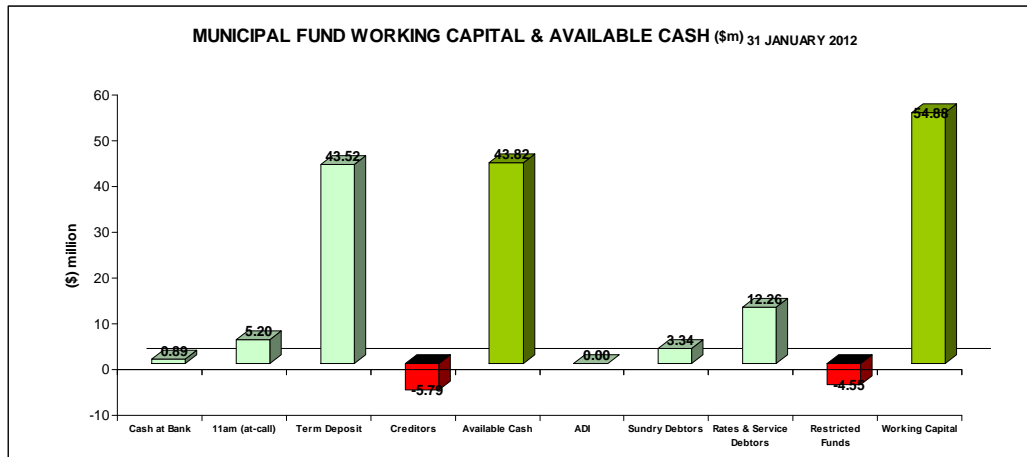
C12/6000 - INVESTMENT STATEMENTS (REC)

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	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	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	7.0 credit events: Ambac Assurance, Aiful, Thomson, Freddie Mac, Fannie Mae, Abitibi & CIT Group.	8.4	10.1	

C12/6000 - INVESTMENT STATEMENTS (REC)

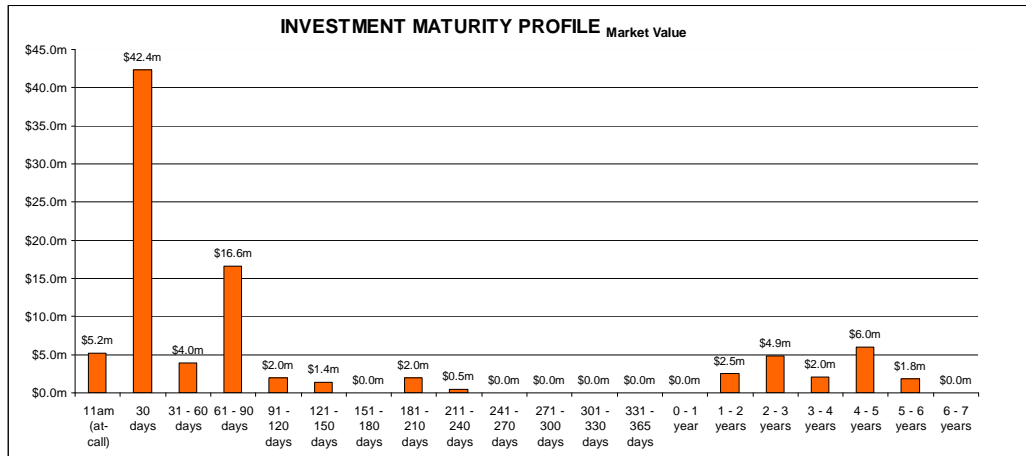
Net Funds Held

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



C12/6000 - INVESTMENT STATEMENTS (REC)

The graph below summarise the maturity profile of the City's investments at market value as at 31 January 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.

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

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

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

The Department of Local Government and Regional Development issued Investment Policy Guidelines during 2008, well after the global financial crisis.

STATUTORY AND LEGAL IMPLICATIONS

The following legislation is relevant to this report:

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

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

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

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

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

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

For the period ending January 2012, interest earned on:

- Municipal and Trust Funds was \$1,695,889 against a year to date budget of \$886,958. This represents a \$808,931 positive variance.
- Reserve Funds was \$1,537,573 against a year to date budget of \$466,667. This represents a \$1,070,906 positive variance.

Investment earnings received in respect to CDO investments since 1 July 2007 has been \$4.57m and \$2.87m in respect to ADIs.

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

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

STRATEGIC, RISK AND ENVIRONMENTAL MANAGEMENT IMPLICATIONS

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

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

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

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

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

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

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

Council Policy CP-009 – Investment of Funds.

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

ALTERNATE OPTIONS AND THEIR IMPLICATIONS

Not applicable.

CONCLUSION

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

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

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

OFFICER RECOMMENDATION & COUNCIL RESOLUTION (6000) NOTING

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

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

CARRIED EN BLOC (12/0)

C12/6001 – SCHEDULE OF ACCOUNTS FOR JANUARY 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 review decisions made by Officers.</i>
<input type="checkbox"/>	Quasi-Judicial	<i>when the Council determines an application/matter that directly affects a person's right and interests. The judicial character arises from the obligation to abide by the principles of natural justice. Examples of Quasi-Judicial authority include town planning applications, building licences, applications for other permits/licences (eg under Health Act, Dog Act or Local Laws) and other decisions that may be appealable to the State Administrative Tribunal.</i>

C12/6001 – SCHEDULE OF ACCOUNTS FOR JANUARY 2012 (REC) (ATTACHMENT)**KEY ISSUES / SUMMARY**

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

BACKGROUND

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

DETAIL

The Schedule of Accounts for the month ending 31 January 2012, [6001 January 2012](#) including Payment Registers numbers Cheques **266 to 268** and Electronic Funds Transfers **229 to 230** were distributed to the Members of Council on 21 February 2012.

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

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

Supplier Name	Remittance Number	Remittance Details	
Australian Hvac Services	E027286	Repair air conditioner at Operations Centre	\$28,231.05
City of Cockburn	E027388	Tip fees for December 2011	\$111,507.91
Crabclaw Holdings Pty Ltd	E027275 & E027459	Various building maintenance jobs	\$27,803.45
Dickies Tree Service	E027219 & E027391	Tree lopping services	\$48,937.90
Downer EDI Works Pty Ltd	E027327	Road works	\$74,514.57
Dowsing Concrete	E027544	Concrete works	\$29,672.28
Fire & Emergency Services Authority WA	E027352	ESL Remittance for December 2011	\$551,560.75
Flexi Staff	E27241 & E027415	Staff hire	\$38,104.41
Globe Australia	E027349 & E027508	Spraying service	\$31,039.80
Gymcare	E027251	Gym equipment	\$75,393.15
MacDonald Johnston Engineering	E027224 & E027398	Engineering equipment	\$42,428.49
Miracle Rec Equipment	E027256	Play equipment	\$52,899.00
Rhysco Electrical Equipment	E027322 & E27491	Electrical maintenance	\$52,683.45
Robinson Buildtech	E027230 & E027403	Various building maintenance jobs	\$115,875.55
Southern Metropolitan Regional Council	E027294 & E027463	Gate fees for December 2011	\$615,467.35
Synergy	Chqs 046211 & 046361	Electricity supply	\$350,815.30
Tree Amigos Tree Surgeons	E027321 & E027488	Tree pruning	\$74,395.42
WA Australian Electoral Commission	Chq 046390	Fees for Local Government Election	\$172,404.24

C12/6001 – SCHEDULE OF ACCOUNTS FOR JANUARY 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.

STRATEGIC, RISK AND ENVIRONMENTAL MANAGEMENT IMPLICATIONS

No other identifiable strategic, risk and environmental management implications.

POLICY IMPLICATIONS

Not Applicable.

ALTERNATE OPTIONS AND THEIR IMPLICATIONS

Not applicable.

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

This is a regular monthly report for Elected Members information.

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

That the Schedule of Accounts for the month ending 31 January 2012 as approved by the Director Corporate Services in accordance with delegated authority DA-035, and detailed in attachment 6001 January 2012 be noted.

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

CARRIED EN BLOC (12/0)

C12/6002 – FINANCIAL STATEMENTS FOR JANUARY 2012 (REC) (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

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KEY ISSUES / SUMMARY

- This report presents the financial statements for the period ending 31 January 2012 and recommends that they be noted by the Council.
- Money expended in an emergency:
 - As a result of the fire at the Civic Centre, unbudgeted expenditure of \$449,156 has been expended from Municipal funds since the day of the fire. The majority of these funds are expected to be recovered from the insurance claim.

C12/6002 – FINANCIAL STATEMENTS FOR JANUARY 2012 (REC) (ATTACHMENTS)

BACKGROUND

The Financial Statements for the period ending 31 January 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 31 January 2012, a net operating positive variance of \$4.49m was recorded. A net positive variance of \$3.02m was recorded against capital.

Variances

A summary of variances is included below.

CITY OF MELVILLE RATE SETTING STATEMENT FOR THE PERIOD ENDED 31 JANUARY 2012								
	January Actual \$	YTD Budget \$	YTD Actual \$	Current Commitments \$	Variance \$	Variance %	Annual Budget \$	Annual Revised Budget \$
Revenues								
Governance	794,414	865,294	1,705,697	-	840,402	97%	1,410,890	1,668,290
General Purpose Funding	429,964	4,154,688	5,164,365	-	1,009,677	24%	8,068,771	8,038,771
Community Amenities	78,803	15,556,723	15,683,619	-	126,896	1%	15,913,420	15,913,420
Recreation and Culture	828,257	4,841,749	5,002,060	(182)	160,129	3%	7,897,263	8,475,698
Transport	112,599	3,162,837	2,900,836	(268)	(262,269)	-8%	4,379,770	4,997,414
Other Property and Services	49,456	4,097,552	2,948,992	-	(1,148,560)	-28%	491,281	3,138,649
	2,305,504	35,330,472	36,146,681	(450)	815,759	2%	41,010,932	45,082,279
Expenses								
Governance	(1,177,635)	(9,670,653)	(8,563,962)	(647,461)	459,230	-11%	(15,632,267)	(15,823,249)
General Purpose Funding	(23,745)	(2,754,036)	(2,797,146)	(86,797)	(129,907)	2%	(2,903,840)	(2,903,840)
Law, Order, Public Safety	(264,665)	(2,106,057)	(1,855,133)	(33,733)	217,191	-12%	(3,598,560)	(3,669,086)
Education & Welfare	(404,391)	(3,102,238)	(2,831,864)	(120,862)	149,512	-9%	(5,460,056)	(5,467,565)
Community Amenities	(1,129,271)	(11,029,509)	(9,551,369)	(535,143)	942,998	-13%	(18,233,961)	(18,528,991)
Recreation and Culture	(1,860,533)	(14,744,550)	(13,535,315)	(852,543)	356,692	-8%	(25,508,929)	(25,579,083)
Transport	(824,106)	(5,866,507)	(5,247,834)	(522,135)	96,539	-11%	(9,924,356)	(9,934,356)
Other Property and Services	(272,075)	(2,597,827)	(2,571,388)	(141,263)	(114,823)	-1%	(3,109,231)	(3,335,892)
	(6,019,241)	(52,526,085)	(47,568,877)	(2,960,476)	1,996,732	-9%	(85,495,791)	(86,373,985)

Revenue

\$51.7m in Rates has been raised to 31 January 2012. This is compared with a year to date budget of \$51.56m, resulting in a positive variance of \$0.145m.

Money Expended in an Emergency

As a result of a recent fire at the Civic Centre, unbudgeted expenditure of \$449,156 has been expended from the City's Municipal funds since the day of the fire. It is anticipated that the costs incurred, less the City's \$10,000 insurance excess and any betterment, will be recouped from our insurers in the 2011/12 financial year. Officers will continue to report to Council on the progress of expenditures.

Some of the major expenditure items include:

- Fire damage repairs to date : \$355K
- Purchase of a new scanner/printer : \$94K

C12/6002 – FINANCIAL STATEMENTS FOR JANUARY 2012 (REC) (ATTACHMENTS)

The reinstatement works were completed during January 2012.

Budget Amendments

There are no budget amendments in this report that require Council approval as any amendments have been dealt with in the Mid Year Budget Review report C12_6046.

Rates Collections and Debtors

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

Rates, Refuse & FESA payments totaling \$6.74m, was collected over the course of the month. Rate collection progress for the month of January was 0.3% below target, and 84.7% of the 2011/12 rates was collected as at 31 January 2012 which compares favourably to the 84% collected at the same time last year with the improvement being attributed to the earlier issue of rate notices this year.

The total sundry debtors balance decreased by \$209k over the course of the month. The 90+ day's debtor balance decreased by \$241k.

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

DESCRIPTION	LINK
Statement of Financial Activity – January 2012	6002A January 2012
Operating Statements by Program – January 2012	6002B January 2012
Representation of Working Capital – January 2012	6002E January 2012
Reconciliation of Net Working Capital – January 2012	6002F January 2012
Notes on Operating Statements reporting on variances of 10% or greater – January 2012	6002H January 2012
Summary of Rates Debtors – January 2012	6002L January 2012
Graph Showing Rates Collections – January 2012	6002M January 2012
Summary of General Debtors aged 90 Days Old or Greater – January 2012	6002N January 2012
Detail of Debts Written Off for the Month – January 2012	Not Applicable

C12/6002 – FINANCIAL STATEMENTS FOR JANUARY 2012 (REC) (ATTACHMENTS)**Granting of concession or writing off debts owed to the Council**

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

No debts were written off for the month of January 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 JANUARY 2012 (REC) (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

The majority of variances identified for the period ending 31 January 2012 are a result of minor phasing issues.

STRATEGIC, RISK AND ENVIRONMENTAL MANAGEMENT IMPLICATIONS

No identifiable strategic, risk and environmental management implications.

POLICY IMPLICATIONS

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

C12/6002 – FINANCIAL STATEMENTS FOR JANUARY 2012 (REC) (ATTACHMENTS)

CONCLUSION

The attached reports reflect a positive financial position of the City of Melville as at 31 January 2012.

OFFICER RECOMMENDATION & COUNCIL RESOLUTION (6002)

APPROVAL

That the Statements of Financial Activity and the Operating Statements for the financial year to date ending 31 January 2012 as detailed in the following attachments be noted:

DESCRIPTION	LINK
Statement of Financial Activity – January 2012	6002A January 2012
Operating Statements by Program – January 2012	6002B January 2012
Representation of Working Capital – January 2012	6002E January 2012
Reconciliation of Net Working Capital – January 2012	6002F January 2012
Notes on Operating Statements reporting on variances of 10% or greater – January 2012	6002H January 2012
Summary of Rates Debtors – January 2012	6002L January 2012
Graph Showing Rates Collections – January 2012	6002M January 2012
Summary of General Debtors aged 90 Days Old or Greater – January 2012	6002N January 2012
Detail of Debts Written Off for the Month – January 2012	Not Applicable

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

CARRIED EN BLOC (12/0)

C12/6046 – MID YEAR BUDGET REVIEW (AMREC) (ATTACHMENT)

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	: C11/6042 Consideration and Adoption of the 2011/2012 Budget – Special Meeting of Council held on 28 June 2011. C11/6002 – Annual Financial Statements Ordinary Meeting of Council held on 15 November 2011
Works Programme	: Not Applicable
Funding	: Not Applicable
Responsible Officer	: Wayne Nicholls Acting Senior Management Accountant

AUTHORITY / DISCRETION

DEFINITION

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

C12/6046 – MID YEAR BUDGET REVIEW (AMREC) (ATTACHMENT)

KEY ISSUES / SUMMARY

- This report presents the mid year Budget Review for the period 1 July 2011 to 31 December 2011.
- The review was undertaken in order to comply with the Financial Management Regulations and to address a number of both positive and negative variances that have arisen over the course of the 2011/2012 Financial Year to date.
- The report recommends that the 2011/2012 Budget be adjusted accordingly.

BACKGROUND

The City of Melville reviews its budget position on an ongoing basis, with a budget variations listing and a budget variance report forming part of the monthly financial statements submitted to Council. The Financial Management Regulations (33A) specify however that Local Governments must undertake a formal budget review between 1 January and 31 March and submit the findings to the Department of Local Government. The City of Melville has undertaken this formal budget review during this period based on the financial position as at the conclusion of December 2011.

DETAIL

The mid year Budget Review has been undertaken by Budget Responsible Officers and reviewed by Management Accounting. The financial position for the City of Melville as at 31 December 2011 is a positive variance of (\$17,517). This is the net result of both positive and negative variances, across operating and capital budgets.

The Budget Review also encompasses the recommended allocation of the 2011/2012 additional unallocated opening funds of \$5,511,738 brought forward from the 2010/2011 financial year as identified in the 2010/2011 audited Annual Financial Statements.

The following table details this result. Note positive variances are shown as follows (\$xxx):

Operating	
General Purpose Funding	(\$386,612)
Management Services	Nil
Corporate Services	\$120,920
Community Development	(\$53,122)
Technical Services	\$38,430
Urban Planning	(\$107,500)
NET OPERATING VARIANCE (POSITIVE)/NEGATIVE	(\$387,884)
Capital	
Corporate Services	Nil
Community Development	Nil
Technical Services	\$370,367
NET CAPITAL VARIANCE (POSITIVE)/NEGATIVE	\$370,367
NET VARIANCE (POSITIVE)/NEGATIVE	(\$17,517)

C12/6046 – MID YEAR BUDGET REVIEW (AMREC) (ATTACHMENT)

Key findings are shown below and further details of the amendments are shown in attachment: [6046 Mid Year Budget Review Summary Amendments](#).

Whilst the % variance adopted by Council when adopting the 2011/2012 Budget at its Special Meeting of Council held on 28 June 2011 was 10% or \$50,000 (whichever is greater) some commentary has been provided on variances below this number where considered necessary to gain a full understanding of the net position.

Key findings in Operating Budget:**General Purpose Funding – (\$386,612) Net Positive Variance**

- Investment Earnings. (\$456,500) positive variance due to additional investment earnings as a result of higher than anticipated interest rates, cash balances and \$60,780 interest received from Alchera in respect to the payment arrangement entered into for the land they purchased from the City which was not anticipated when preparing the 2011/2012 Budget. Note whilst investment earnings on Reserve Accounts has been revised upwards by \$640,000 these funds are required to be transferred to the Reserve Accounts

Treatment of 2011/2012 Opening Funds brought forward from 2010/2011

- Additional Opening Funds Brought Forward From 2010/2011 – (\$5,511,738) Positive Variance which when allocated as follows results in a zero net variance:-
 - \$1.8m to secure 2012/2013 opening balance as reflected in the Long Term Financial Model for 2012/2013. This is consistent with the opening funds position adopted in prior financial years budgets which obviates the need to raise rates by the equivalent of a 3.65% or reduce expenditure by \$1.8m;
 - \$1,200,000 for the proposed Len Shearer Synthetic Turf Capital Expenditure Project as detailed in Attachment [6046 Amended Project Management Business Case Len Shearer](#) which is required to secure a similar amount in State Government grant funding;
 - Transfer to Public Open Space Reserve. \$2,425,000 to fund property purchases for public open space being considered by Council;
 - Balance of \$86,738 used to help fund a \$100,000 Participatory Budgeting Pilot Project proposed to be implemented by Community Development.

Corporate Services - \$120,920 Net Negative Variance:-**Director Corporate Services – \$31,450 Net Negative Variance:-**

- Other Revenue. (\$677,472) positive variance due to unclaimed kerbside deposits from since prior to 2001. These funds have been transferred back from Trust to Municipal funds and have then been transferred to the Infrastructure Asset Management Reserve to enable additional funding to be allocated to the footpath/kerb replacement programme in 2012/2013. This will rectify a backlog of footpath/kerb replacements for which there is currently insufficient funding in the 2011/2012 Budget and Long Term Financial Model for 2012/2013.
- Other minor variances relate to the salaries budget being adequate as leave replacement not provided for as well as other unanticipated costs being incurred.

C12/6046 – MID YEAR BUDGET REVIEW (AMREC) (ATTACHMENT)**Property & Governance - \$41,200 Net Negative Variance:-**

- Fees & Charges. \$48,500 negative variance due to commercial lease income being below budget due to reduced turnover rent and vacancies.
- Materials & Contracts. (\$10,500) positive variance made up of expenditure savings of (\$18,000) due to lower than anticipated charges from the WA Electoral Commission for the 2011 Council elections offset by a negative variance of \$7,500 due to the cost of photocopying for Council/Committee meetings now being charged to this service area.
- Internal Allocations. \$3,200 negative variance due to the cost of having additional election signs manufactured and erected in order to encourage higher vote turnout for the 2011 Council elections.

Information Services - \$6,000 Net Negative Variance:-

- Materials & Contracts. \$6,000 due to increases in the volume of archived documents being sent for authorized destruction in accordance with the City's record keeping plan.

Financial Services - \$42,270 Net Negative Variance:-

- Rates Search Fees. \$40,000 negative variance due to a reduction in information requests from settlement agents.

Community Development – (\$53,122) Net Positive Variance:-**Director of Community Development - \$13,262 Net Negative Variance:-**

- Materials & Contracts. - Participatory Budgeting Pilot Project (responding to community aspirations as per revised Strategic Community Plan). Additional budget of \$100,000 is required to fund this project of which (\$86,738) has been provided by the 2010/2011 closing funds brought forward.

Recreation Services – (\$4,000) Net Positive Variance:-

- Fees and Charges. (\$117,000) positive variance due to increased membership fees received.
- Other Revenue. \$78,000 negative variance due to loss of income from utility recoups, nets off with the (\$76,000) 'savings' below in Other Expenditure.
- Employee Costs. \$114,000 negative variance relating to additional staffing costs in personal training, pool and customer service programs.
- Materials & Contracts. (\$3,000) positive variance made up of savings of \$13,000 from the swim squad contract which offsets \$10,000 additional costs for additional entry fobs.
- Other Expenditure. (\$76,000) positive variance due to savings of \$76,000 in the expense account for utility recoups which nets off against the revenue shown above.

Neighbourhood Development – (\$42,385) Net Positive Variance:-

- Grants & Contributions. (\$2,514) positive variance due to increased grant income of \$4,514 for The Little Hands Festival offset by a negative variance of \$2,000 due to the loss of grant funding for the Film festival.
- Employee Costs. (\$16,871) positive variance due to savings on staff costs in the Volunteer Resource Centre, staff on leave without pay and appointment of relief staff at a lower rate.
- Other Expenditure. (\$23,000) positive variance due to savings of \$20,000 in donations/sponsorship for Community Partnership Funding and savings of \$3,000 for minor equipment.

C12/6046 – MID YEAR BUDGET REVIEW (AMREC) (ATTACHMENT)**Neighbourhood Amenity – (\$20,000) Net Positive Variance:-**

- Fees & Charges. (\$5,000) positive variance due to increased parking revenue in Canning Bridge of (\$10,000) offset by a negative variance of \$5,000 due to reduced boat ramp parking revenues.
- Materials & Contracts. (\$40,000) positive variance due to savings made from a budgeted community project not now planned for the current financial year.
- Other Expenditure. \$24,000 negative variance, this is offset by a positive variance in Materials and contracts.

Technical Services - \$38,430 Net Negative Variance:-**Director Technical Services - Zero Net Variance:-**

- Employee Costs. (\$16,000) positive variance. These savings made by Director Technical Services which relate to various minor salary savings.
- Materials and Contracts. \$11,000 negative variance due to additional budget of \$22,500 for professional consulting costs associated with the implementation of the Works and Assets system. This has been partially offset by \$10,000 savings from a recently completed Light Rail study.
- Internal Allocations. \$5,000 additional budget required for recruitment costs for an unanticipated vacancy.

Operations Management - \$22,985 Net Negative Variance:-

- Employee Costs. \$22,985 due to unbudgeted recruitment costs (Manager Operations Services position).

Waste Services - Zero Net Variance:-

- Revenue (\$28,690) net positive variance due to a slightly higher than anticipated new number of services arising during the course of the financial year to date.
- Employee Costs. \$26,191 negative variance due to additional employee costs of \$25,426 for Refuse Collection Commercial Bulk – minimal employee costs budget was included in 2011/2012 adopted budget as when it was being formulated this service was under review with a view to ceasing the service.
- Materials & Contracts. \$2,499 negative variance. Additional budget of \$170,000 required for Bulk Verge Disposal Costs, partially offset by a reduction in recyclables processing fees of (\$106,000). Reduction in advertising costs of (\$16,000) due to reduced scope of advertising program. Domestic Recycling Collections savings of (\$69,801) due to a reduction in recyclables processing fees. Additional budget of \$25,240 - Special Project Funding, this is for consultancy for the waste review which commenced mid year.

C12/6046 – MID YEAR BUDGET REVIEW (AMREC) (ATTACHMENT)

Works Services - \$44,000 Net Negative Variance:-

- Employee Costs. \$26,231 negative variance due to additional budget required for Emergency Call Outs of \$34,000, as a result of an increase in call outs, and an agreed arrangement for a staff member to be on call 24/7. Road Maintenance \$42,171 negative variance required due to additional works covering kerbs, roads, traffic management, line marking and patching.
- Footpath Maintenance \$20,000 for additional labour.
Parks Works Maintenance (\$25,000) positive variance due to the majority of maintenance being carried out the year prior, negating the need to do the same level of maintenance this year.
Street Cleaning Contract. (\$20,000) positive variance due to savings in waste disposal.
Works Support to Internal Services. (\$15,000) positive variance and Works Support to COM Properties. (\$5,000) savings made where demand for services being less than what was anticipated.
- Materials & Contracts. \$107,086 negative variance due to:
An additional \$97,086 for Side Pit Entry Conversion, made up of additional costs for contractors of \$52,497 and \$44,589 for stores and materials. These funds were initially for in house labour but contractors are now being used instead and more materials are required. This is offset by savings of (\$89,317) in internal allocations arising from the use of contractors as described above.

Engineering Design – (\$40,805) Net Positive Variance:-

- Other Revenue. (\$79,409) positive variance due to increased income from Attadale South Underground Power (in kind costs).
Employee Costs. (\$51,842) positive variance due to savings from students not employed due to fire at Civic Centre which meant we could not accommodate them.
Utilities. \$93,000 negative variance due to additional costs for electricity charges from Synergy for street lighting.

Parks & Environment – \$12,250 Net Negative Variance:-

- Materials & Contracts. (\$14,750) positive variance due to various variations both positive and negative across numerous parks and reserves with the most notable being an additional budget required for Kadidjiny Park of \$29,000. This is required for urgent erosion repairs to the slope supporting the senior slide at the playground.

Urban Planning – (\$107,500) Net Positive Variance:-

Planning Services – (\$107,500) Net Positive Variance:-

- Fees & Charges. (\$45,000) positive variance due to additional income received from \$45,000 from Property Certificate fees. This more than offsets the loss of \$40,000 experienced in the Corporate Services Area due to reduced search fees.
- Materials & Contracts. (\$62,500) positive variance due to: (\$25,000) from reduced costs for the Architectural Panel as a result of the decrease in major development applications. Savings of \$37,500 for legal fees, as many issues were addressed in house.

C12/6046 – MID YEAR BUDGET REVIEW (AMREC) (ATTACHMENT)**Strategic Urban Planning – Zero Variance:-**

- Other Revenue. (\$300,000) net positive variance due to additional income for Canning Bridge.
- Materials & Contracts. \$250,000 net negative variance due to various movements as follows:
 - SUP Project CPS 5 Review – The whole budget of \$50,000 is to be transferred to a new account 'Infrastructure Communication Plan' to meet a recent request for funding a corporate project recently started. CPS 5 Review project has been delayed by State Government and will recommence in the new year.
 - SUP Project: Canning Bridge – Additional income will be received from project partners of \$300,000, a surplus of \$25,000 is identified due to delays with the project.
 - SUP Project Riseley St – A surplus of \$35,000 has been identified due to Project delay due to public consultations/workshops. This may be transferred to the Property Rationalisation project.
 - SUP Project Property Rationalisation – Additional budget of \$35,000 is required for additional costs arising from a consultant.
 - SUP Project Reserves and Public Spaces – Additional budget of \$25,000 is required to reflect revised project budget, additional consultation work as a result of extended scope. This may be funded by the surplus in Canning Bridge.
- Internal Allocations. \$50,000 positive variance due to the new project: 'Infrastructure Communication Plan, being funded from CPS 5 Review.

Key findings in Capital Budget:**Corporate Services - Zero Net Variance****Director Corporate Services - Zero Net Variance:-**

- Land Purchases. \$5,221,250 funds required to purchase Mount Pleasant public open space from Water Corporation, Bicton public open space from Western Power, 412 Canning Highway and 168 Stock Road, Attadale funded by a transfer from the Public Open Space Reserve Account.

Information Technology - Zero Net Variance:-

- Telephone & Communications Equipment – Additional budget of \$10,000 required because Unified Communication Systems upgrade higher than initial budget estimates.
- Server Hardware. (\$125,000) positive variance due to unspent funding for disaster recovery development. The project will not be completed this financial year.
- Software Upgrades – Additional budget of \$25,000 required because financials upgrade cost \$20,000, budget \$5,000. Unplanned expenditure on Mosaic upgrade,
- Pinforce upgrade and Pitney Bowes software (balanced by a reduction in licensing costs).
- Personal Digital Assistants (PDA's) and Mobile Phones – Additional budget of \$10,000 required because of the centralisation of mobile phone purchasing and increased use of tablet devices.
- Software New Applications – Additional budget of \$15,000, bringing the total budget \$60,000. These funds are needed as follows, \$23,000 Pathway, \$10,000 Rostering, \$7,000 reserved for library printing, \$10,000 XenDesktop, and \$5,000 Elance development.
- Data Storage – Surplus budget of \$25,000 due to unspent funding for disaster recovery development not required at this point in time.

C12/6046 – MID YEAR BUDGET REVIEW (AMREC) (ATTACHMENT)

- Photocopiers – Surplus budget of \$65,000 as a scanner replaced under insurance as a result of 2011 fire had been budgeted for asset renewal. However the replacement cost of the new machine was higher than the insured amount, and it is unclear at this stage whether or not this additional amount will be covered under insurance.
- Notebooks/Laptops - Surplus budget of \$5,000 from strategy of laptop minimisation and replacement with tablet devices (PDA & mobile phones).
- Transfer to Information Technology Reserve. \$160,000 includes \$125,000 for Server Hardware due to funding for disaster recovery development. This project will not be completed this financial year.

Community Development - Zero Net Variance:-**Health and Lifestyle Services – Zero Variance**

- Synthetic Turf Len Shearer. \$1,200,000. New project jointly funded with the Department of Sport Recreation. See attached business case which is proposed to be funded from additional 2010/2011 closing funds brought forward.
[6046 Project Management Business Case Len Shearer](#)

Technical Services - \$370,367 Net Negative Variance:-

Please note that in addition to the variances noted below, all projects are currently under review in order to identify any further savings.

Fleet Manager – \$882 Net Negative Variance:-

- Light Fleet – Increase in income of \$39,500 due to the sale of two vehicles that were not planned to be sold.
- Transfer of \$39,500 to Plant Replacement Reserve.

Waste Manager – Zero Variance:-

- Transfer of \$130,000 from Rubbish bins other to Mobile 240 litre bins, surplus due to 360 litre bin trial still under review pending weekly collection review outcome as per council requirements. Additional funds required for purchasing mobile garbage bin's due to delay of possible rollout of 360 litre bins. Zero net effect.

Works Services – (\$22) Net Positive Variance:-

- MRWA Local Road Projects positive and negative variances totalling (\$64,617) as follows;
Marmion Street (Rome to Norma) – Additional budget of \$110,520 required due to additional traffic control costs which only became apparent after the commencement of the project.
Wichmann Road (Moreing to Calpin) – Additional budget of \$193,193 required as a result of increased scope of works from associated infrastructure over and above contingencies contained within original scope of works.
Kintail Road (Canning Beach to Matheson) – Additional budget required of \$31,295 due to additional traffic control costs.

C12/6046 – MID YEAR BUDGET REVIEW (AMREC) (ATTACHMENT)

Benningfield Road (Parry to Leichardt) – Additional budget of \$30,404 required to cover reinstatement works and overhead recovery.

Stock/Brown/Davis – Additional budget of \$54,417 required because the original estimates were insufficient to cover the full scope of the tender requirements in areas such as saw cutting and traffic control.

Coomoora Road Project Surplus budget of (\$484,082) as this project will not be started this financial year. Grant income relating to this project will be deferred to 2012/2013 as a result of the project deferral

- State Black Spots. negative variances totalling \$240,901 due to the following:
Archibald Street – Additional budget of \$214,371 required for lowering of gas and water services. Additional profiling/asphalting was carried out to remove construction joints and to prevent future road failure.
Wichmann/Roberts – Additional budget of \$13,605 required for additional costs from overhead allocation.
Adrian/Zenobia Street Roundabout - \$12,925 unbudgeted works.

The above negative variances are proposed to be funded by the following positive variances:

- Traffic Management. (\$190,926) which is represented by:
Sleat/Helm Intersection (\$62,836) due to carry forward allocation not being required.
Murdoch Slow Points Project. (\$100,000) savings identified due to reduced scope of works.
Canning Beach /Duncraig Road Roundabout (\$28,090) savings identified due to reduced scope of works.
- Transfer from the Applecross Streetscape Enhancement Reserve of (\$17,323)

Engineering Design – \$299,304 Net Negative Variance:-

- Other(Mt Pleasant Primary School Project). \$45,000 negative variance. This is a new capital project at the Mt Pleasant Primary School for an on road school parking area estimated to cost \$90,000. The project is 50% funded by the Department of Education. Should funding not be received from the Department of Education project will not proceed.
- Road Improvements. (\$9,000) positive variance as a result of savings in design costs for Melville Beach Road and Dunkley Avenue.
- State Black Spots. \$5,874 negative variance due to additional funds required for external consultants for Bateman and Karel/Parry Avenue.
- Traffic management. (\$4,000) positive variance as only design costs were incurred.
- Benningfield Road (Parry to Leichardt) – reduction in road grant of \$52,368 due to reduced scope of asphalt works.
- Lighting Projects. \$38,000 negative variance for powder coating of light poles in the Attadale South Underground Power Project
- Transfer of \$67,225 to Road and Drainage Asset Management Reserve. This amount represents funding received for the deferred Coomoora Road Project.
- Grant funding for the deferred Coomoora Road Project \$100,837. These funds will not be received this financial year.
- Parking \$3,000. Negative variance due to over expenditure on ad-hoc contractors.

C12/6046 – MID YEAR BUDGET REVIEW (AMREC) (ATTACHMENT)**Parks & Environment – (\$20,253) Net Positive Variance:-**

- Park Improvements. \$5,832 negative variance due to over expenditure on playground compliance.
- Traffic Management. (\$11,162) positive variance due to two projects completed under budget – le Souef and Anglesey Drive.
- Environmental. (\$5,832) positive variance arose from reduced contractors costs on Blackwall Reach Project.
- Federal Black Spots. (\$9,091) positive variance due to cost savings on the Riseley Street/Kearns Crescent project.

Asset Management - \$90,456 Net Negative Variance:-

- Building Refurbishment/Replacement. \$20,000 negative variance due to the following items: Melville Civic Centre – Additional costs of \$40,000 required to recarpet the Technical Services area not damaged in the 2011 fire. Part funded by a transfer of (\$20,034) from the Civic Centre Improvement Reserve.
- Melville Civic Centre — Surplus funds of \$60,000 due to savings made in the Air Conditioner Chillers tender.
- Capital Renewal. (\$97,300) positive variance due to additional income from Department of Education and Training contribution to the refurbishment of Leeming Recreation Centre.
- Jetties & Foreshores. \$140,716 negative variance due to additional funds required for Point Walter Foreshore Redevelopment, the tender being higher than anticipated. Additional grant income of (\$229,295) partly offsets the additional funds of \$370,011 required to satisfy tender requirements and additional allocation charges.
- Park Improvements. \$87,074 negative variance due to additional funds required for the Wireless Hill 2012 program as approved by Council on 16 August 2011.

PUBLIC CONSULTATION/COMMUNICATION

Not Applicable

CONSULTATION WITH OTHER AGENCIES / CONSULTANTS

Not Applicable

STATUTORY AND LEGAL IMPLICATIONS

The Financial Management Regulations (33A) specify that Local Governments must undertake a formal budget review between 1 January and 31 March and submit the findings to the Department of Local Government.

FINANCIAL IMPLICATIONS

After taking into account the various positive and negative variances, the Budget Review has identified a positive budget variance of (\$17,517).

STRATEGIC, RISK AND ENVIRONMENTAL MANAGEMENT IMPLICATIONS

Following a review of the risk implicit in the subject of this agenda item, no high or extreme risks have been identified.

C12/6046 – MID YEAR BUDGET REVIEW (AMREC) (ATTACHMENT)**POLICY IMPLICATIONS**

Accounting Policy CP-025

ALTERNATE OPTIONS AND THEIR IMPLICATIONS

Not Applicable

CONCLUSION

The Budget Review has identified a number of projects requiring budget amendments. The net result of these amendments will be redirected to a closing balance account. These funds will then be used as an opening balance in the development of the 2012/2013 Annual Budget.

At 8.57pm Cr Foxton and Cr Macphail returned to the meeting.

OFFICER RECOMMENDATION (6046)**ABSOLUTE MAJORITY**

At 8.57pm Cr Kinnell moved, seconded Cr Robartson -

That by absolute majority decision of the Council the interim budget review amendments listed in attachment 6046 Mid Year Budget Review Summary Amendments be adopted.

Amendment

At 8.58pm Cr Barton moved, seconded Cr Reidy -

That in the attachment "6046 Project Management Business Case Len Shearer" the page entitled "Business Case" be replaced with the attached page "Business Case"; and the schedule "4.5 Operating Costs: Additional Operating & Maintenance Costs" be replaced with an update schedule of the same title.
6046 Amended Pages Project Business Case

At 8.59pm the Mayor submitted the amendment, which was declared

CARRIED (13/0)Reasons for Amendment

A calculation error was identified in the Installation of a Synthetic Playing surface at the Len Shearer Reserve Business Case and the Synthetic Sports Surfaces Feasibility Study. The corrected replacement pages are attached.

C12/6046 – MID YEAR BUDGET REVIEW (AMREC) (ATTACHMENT)**COUNCIL RESOLUTION (6046)****ABSOLUTE MAJORITY**

At 9.00pm the Mayor submitted the substantive motion as amended –

That by absolute majority decision of the Council the interim budget review amendments listed in attachment 6046 Mid Year Budget Review Summary Amendments be adopted.

That in the attachment "6046 Project Management Business Case Len Shearer" the page entitled "Business Case" be replaced with the attached page "Business Case"; and the schedule "4.5 Operating Costs: Additional Operating & Maintenance Costs" be replaced with an update schedule of the same title 6046 Amended Pages Project Business Case

At 9.42pm the Mayor declared the motion **CARRIED BY ABSOLUTE MAJORITY (9/4)**

His Worship the Mayor requested that the votes be recorded –

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

15. REPORTS OF THE CHIEF EXECUTIVE OFFICER

15.1 LATE ITEMS FROM FINANCIAL MANAGEMENT, AUDIT, RISK & COMPLIANCE COMMITTEE – 12 MARCH 2012

The following items from the Financial Management, Audit, Risk and Compliance Committee meeting of 12 March 2012 require consideration by the Council.

LATE ITEM M12/5220 - INTERNAL AUDIT CHARTER (REC) (ATTACHMENT)

Ward	:	All
Category	:	Operational
Subject Index	:	Internal Audit Report
Customer Index	:	City of Melville
Disclosure of any Interest	:	No Officer involved in the preparation of this report has a declarable interest in this matter.
Previous Items	:	Item C09/5075 – Internal Audit Charter – Financial Management, Audit, Risk & Compliance Committee – 24 August 2009
Works Programme	:	Not Applicable
Funding	:	Not Applicable
Responsible Officer	:	Ken Wan Process Improvement Auditor

AUTHORITY / DISCRETION

DEFINITION

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

LATE ITEM M12/5220- INTERNAL AUDIT CHARTER (REC) (ATTACHMENT)**KEY ISSUES / SUMMARY**

The Internal Audit Charter is a formal document that defines the internal audit activity's purpose, authority, and responsibility.

BACKGROUND

As required by the Institute of Internal Auditors, the purpose, authority, and responsibility of the internal audit activity must be formally defined in an internal audit charter. It must be periodically reviewed and presented to senior management and the Council for approval.

The internal audit charter establishes the internal audit activity's position within the organisation; authorises access to records, personnel, and physical properties relevant to the performance of engagements and defines the scope of internal audit activities.

DETAIL

The contents and format of the City's Internal Audit Charter were well researched when it was first developed and adopted in 2007.

Subsequent research conducted in 2009 and 2012 of various websites including the Institute of Chartered Accountants, Certified Practising Accountants, the Institute of Internal Auditors, Western Australian Local Government Association (WALGA), and the Department of Local Government confirmed that the City's Internal Audit Charter is still relevant, appropriate, and covers all key governance areas such as independence, objectivity and professional auditing standards.

Based on the above, no substantive changes to the Internal Audit Charter are considered necessary. The only changes in Para 8 are of a cosmetic nature.

[5220 Internal Audit Charter](#)

PUBLIC CONSULTATION/COMMUNICATION

No external consultation has been carried out.

CONSULTATION WITH OTHER AGENCIES / CONSULTANTS

No such consultation has been carried out.

LATE ITEM M12/5220- INTERNAL AUDIT CHARTER (REC) (ATTACHMENT)

STATUTORY AND LEGAL IMPLICATIONS

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

For an audit committee to be effective, it is the best practice to have an internal audit function to assist it to discharge its responsibilities. It is therefore important to have the internal audit activity formally documented in an internal audit charter and review it regularly.

FINANCIAL IMPLICATIONS

There are no financial implications for Council in regards to the approval of the internal audit charter.

STRATEGIC, RISK AND ENVIRONMENTAL MANAGEMENT IMPLICATIONS

Risk Statement	Level of Risk	Risk Mitigation Strategy
Internal audit function may not be effective in its operations without a clearly defined internal audit charter regarding its purpose, authority, independence, and responsibility.	Low	Have a well defined and regularly updated internal audit charter to clearly state the purpose, authority, independence, and responsibility of the internal audit function.

POLICY IMPLICATIONS

There are no specific policy implications.

ALTERNATE OPTIONS AND THEIR IMPLICATIONS

Not applicable.

LATE ITEM M12/5220- INTERNAL AUDIT CHARTER (REC) (ATTACHMENT)**CONCLUSION**

A well established internal audit charter defines the scope and responsibility of the internal audit activity which will assist the audit committee and senior management to discharge their responsibilities and achieve the corporate objectives.

**OFFICER & COMMITTEE RECOMMENDATION & COUNCIL RESOLUTION (5220)
APPROVAL**

That the Internal Audit Charter March 2012 5220 Internal Audit Charter be approved.

At 9.43pm the Mayor submitted the motion, which was declared

CARRIED EN BLOC (12/0)

LATE ITEM M12/5223 – STRATEGIC RISK ASSESSMENT REPORT (REC)

Ward	:	All
Category	:	Policy
Subject Index	:	Risk Management
Customer Index	:	City of Melville
Disclosure of any Interest	:	No Officer involved in the preparation of this report has a declarable interest in this matter.
Previous Items	:	Not Applicable
Works Programme	:	Not Applicable
Funding	:	Not Applicable
Responsible Officer	:	Lee Wilson Risk Management Coordinator

AUTHORITY / DISCRETION

DEFINITION

<input type="checkbox"/>	Advocacy	<i>when the Council advocates on its own behalf or on behalf of its community to another level of government/body/agency.</i>
<input checked="" type="checkbox"/>	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>
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<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>

LATE ITEM M12/5223 – STRATEGIC RISK ASSESSMENT REPORT (REC)**KEY ISSUES / SUMMARY**

- A Strategic Level Risk assessment process commenced in February 2012 and involves the Executive Management Team (EMT), the Organisational Management Team (OMT) and Elected Members.
- The Top Ten list of Strategic Level risks have been identified.
- Discussion and amendments to the Top Ten list has been undertaken by Elected Members.
- The final list will be risk assessed in compliance with the process outlined in the City's Risk Management Framework.

BACKGROUND

The City of Melville is committed to a culture of risk management, where risk is considered at three levels; strategic, operational and project. Operational level risks are currently being documented in the City's central risk register and are reviewed on an annual basis as part of the Business Planning process. Project level risks are handled by all staff when conducting day-to-day operations, and where relevant are documented within specific Service Areas.

Strategic level risks consider the long-term strategic objectives of the City. As part of Business Planning and the Corporate Plan Review processes, a strategic risk assessment is being undertaken. EMT, OMT and Elected Members are the key stakeholders for strategic level risks and each of those teams are being involved in the risk assessment process. This process requires consideration of the high level threats or opportunities that face the City of Melville, in areas that include political, economic, societal, technological, environmental and legal.

DETAIL

As part of the current Business Planning process, the annual Corporate Plan review and discussions on key performance indicators for the City and for the Chief Executive Officer (CEO); the Risk Management Coordinator is undertaking a Strategic Risk Assessment process. This process commenced in February 2012.

Strategic risks are the effects of uncertainty that could affect the achievement of the City's vision and Corporate Plan objectives. By completing this assessment, the City will be able to determine its "Risk Appetite" and determine responsible and adequate mitigation strategies to ensure the achievement of its Goals.

LATE ITEM M12/5223 – STRATEGIC RISK ASSESSMENT REPORT (REC)

Using the Top Ten Strategic Risks that were identified in 2010 by stakeholders as a starting point, OMT and EMT reviewed and revised those risks to present Elected Members with nine risk areas for consideration. The initial list was presented at the 28 February 2012 Elected Members Information Session (EMIS) as:

- Ageing Infrastructure and inability to address Inheritance Gaps.
- Funding for the Long-Term Financial Plan.
 - Fixed incomes increasing.
- SMRC and Waste Disposal.
- The gaining and management of Contracts.
- Preservation of the Melville Amenity.
 - Changing demographics and densities.
 - Traffic management and transport.
 - Loss of trust and corporate image.
- Economic Growth and Sustainability.
- Staff attraction and retention.
- Emergency Management Arrangements, Disaster Recovery and Business Continuity.
- Local Government reform.

At the EMIS, Elected Members were given the opportunity to amend the list which resulted in some changes. They were also asked to rank the risks in order of priority. This prioritisation is more for internal use than the order of priority for treatment. Risks in terms of treatment will be prioritised once they have been fully assessed using the process defined in the City's Risk Management Framework. A copy of the presentation given at the EMIS is attached:

[5223 EMIS Strategic Risk Session](#)

The final amended list, in order of Elected Member priority is:

1. Preservation of the Melville Amenity.
 - Changing demographics, densities and quality of built form.
 - Traffic management, transport and congestion.
 - Loss of wetlands / bushland / greenery.
 - Safety / security / crime prevention.
2. Funding for the Long-Term Financial Plan.
 - Fixed incomes increasing.
 - Rate base mix.
 - Changing retail market.
 - Mission creep.
 - Diversification of revenue streams.
 - Appropriate levels of resources.
 - Increasing expenditure / cost control.
3. Aging Infrastructure and inability to address Inheritance Gaps.
4. Economic Growth and Sustainability.
5. Staff attraction and retention.

LATE ITEM M12/5223 – STRATEGIC RISK ASSESSMENT REPORT (REC)

6. Waste Disposal
 - SMRC
 - Increasing cost of disposal
7. Corporate reputation
 - Loss of trust and corporate image.
8. Emergency Management Arrangements, Disaster Recovery and Business Continuity.
9. The gaining and management of Contracts.
10. Local Government reform.

The list of risks has been circulated to Elected Members via the Elected Members Bulletin (EMB) for any additional comment. Elected Members were also asked to consider any strategic risk opportunities. The only comments received at the time of writing the report, were related to;

1. whether it should state 'Maintenance of the City wetlands, bushland and reserves' rather than the dot point 'Loss of wetlands/bushland/greenery'; and
2. that under Preservation of the Melville Amenity there be an additional dot point that is 'The Access and inclusive nature fostered to all members of the community' .

Once all the risk data has been collected, the identified risks will be assessed in compliance with the City's Risk Management Framework. The final risk register inclusive of mitigations, implementation timeframes and cost implications, will be presented to a future Financial Management, Audit, Risk and Compliance Committee (FMARCC) meeting. It is anticipated this will be completed by the end of the Business Planning process.

PUBLIC CONSULTATION/COMMUNICATION

No external consultation has been carried out.

CONSULTATION WITH OTHER AGENCIES/CONSULTANTS

No external consultation has occurred.

STATUTORY AND LEGAL IMPLICATIONS

No direct statutory or legal implications arising from this report.

LATE ITEM M12/5223 – STRATEGIC RISK ASSESSMENT REPORT (REC)**FINANCIAL IMPLICATIONS**

Risk management may involve mitigation strategies which can attract financial implications. Until risks have been analysed and evaluated and mitigation strategies determined, it is not possible to ascertain what, if any financial implications there will be.

STRATEGIC, RISK AND ENVIRONMENTAL MANAGEMENT IMPLICATIONS

Identified Strategic Level risks may lead to risk mitigation actions. It is anticipated that the implications of the identified risks will be presented at the next FMARCC meeting.

No extreme or high level risks have been identified in the development of this report.

POLICY IMPLICATIONS

No direct policy implications are associated with this report.

ALTERNATE OPTIONS AND THEIR IMPLICATIONS

A further amendment was suggested to combine 'the gaining and management of Contracts' with 'staff attraction and retention' and 'aging infrastructure and inability to address inheritance gaps' under the heading of Business Management.

CONCLUSION

The documentation of Strategic Level risks will allow for full analysis which should in turn be of use in determining the City's risk appetite. The risk appetite will shape the way in which risks to City objectives are managed.

LATE ITEM M12/5223 – STRATEGIC RISK ASSESSMENT REPORT (REC)**OFFICER & COMMITTEE RECOMMENDATION & COUNCIL RESOLUTION (5223)
APPROVAL**

That the Council endorse the following list of key strategic risks for the City;

- 1. Preservation of the Melville amenity.**
- 2. Funding for the Long-Term Financial Plan.**
- 3. Ageing infrastructure and inability to address inheritance gaps.**
- 4. Economic growth and sustainability.**
- 5. Staff attraction and retention.**
- 6. Waste disposal.**
- 7. Corporate reputation.**
- 8. Emergency management arrangements, disaster recovery and business continuity.**
- 9. The gaining and management of contracts.**
- 10. Local Government reform.**

At 9.43pm the Mayor submitted the motion, which was declared

CARRIED EN BLOC (12/0)

LATE ITEM C12/5215 - COMPLIANCE AUDIT RETURN 2011 (REC) (ATTACHMENT)

Ward	:	All
Category	:	Operational
Subject Index	:	Audits – Compliance
Customer Index	:	Department of Local Government
Disclosure of any Interest	:	No Officer involved in the preparation of this report has a declarable interest in this matter.
Previous Items	:	Item C11/5162 - Compliance Audit Return 2010 - Ordinary Meeting of Council - 15 March 2011
Works Programme	:	Not Applicable
Funding	:	Not Applicable
Responsible Officer	:	Jeff Clark Governance and Compliance Program Manager

AUTHORITY / DISCRETION

DEFINITION

<input type="checkbox"/>	Advocacy	<i>when the Council advocates on its own behalf or on behalf of its community to another level of government/body/agency.</i>
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LATE ITEM C12/5215 - COMPLIANCE AUDIT RETURN 2011 (REC) (ATTACHMENT)**KEY ISSUES / SUMMARY**

- All Western Australian Local Authorities are required to undertake a Compliance Audit Return (the Return) and submit their findings to the Department of Local Government by 31 March each year.
- All questions received a positive response by Officers confirming the actions were completed.

BACKGROUND

The completed 2011 Compliance Audit Return forms part of the Attachments to the Agenda [5215 Compliance Audit Return 2011](#). The return covers the period 1 January 2011 to 31 December 2011.

The Compliance Audit Return is presented to Council for adoption. A copy of the Council report and a certified copy of the return are required to be endorsed by the Mayor and Chief Executive Officer and submitted to the Department of Local Government by 31 March 2012.

DETAIL

The City has achieved another impressive compliance outcome for 2011. The Officers of the City perform extremely well against the requirements of 476 Acts, Regulations and legislative requirements that determine the work practices and responsibilities of the City. However the Compliance Audit Return only assesses compliance against the Local Government Act 1995 and associated Regulations. The responses of Officers to the 78 audit questions have been audited by the Process Improvement Auditor who has included a comment in this report.

This year's audit has in the opinion of Officers provided 100% compliance. The 283 questions from 2011 have decreased to 78 in 2011. Of the 78 fields of compliance that have been tested, there were no items that revealed non-compliance. The decrease in the number of questions assessed in 2011 is due to the Department of Local Government (the Department) accepting comment from local governments concerning the administrative burden that the extensive questioning provided. The Department has responded by only testing those areas considered to be high risk in this Return. The Department has advised that it has changed Regulation 14 of the Local Government (Audit) Regulations 1996 to require each local government's Audit Committee to review the Return and report the results of that review to the Council. The City has taken this approach for some years.

LATE ITEM C12/5215 - COMPLIANCE AUDIT RETURN 2011 (REC) (ATTACHMENT)

The Return has been compiled with continued substantial rigour beyond that experienced in most Local Governments. Officers have been expected to demonstrate compliance and provide detail of their work to ensure the work procedures of the City assist to meet obligations of the Act and Regulations. It is pleasing to note that there is an ongoing increase in Officer knowledge of compliance matters and where possible, systems have been amended to assist with compliance requirements.

The Return containing the questions and responses is provided as an attachment. This document is provided by the Department of Local Government in an on-line environment to allow local governments to update the Return with their responses and when completed, print for certification by the Mayor and Chief Executive Officer.

A Compliance Calendar was introduced in 2008 and this is a major improvement to assist management of all compliance matters. The Calendar is updated monthly which enables a management response should a matter require attention. The monthly reports generated from the Calendar are reviewed by the Executive Management Team. The 2012 Compliance Calendar is provided as an attachment [5215 Corporate Compliance Calendar 2012](#) for the information of the Council.

The Process Improvement Auditor's comments

The Compliance Audit Return for 2011 has only 78 questions, and answers to all questions were checked for correctness.

It is pleasing to report that all answers were correct and 100% compliance was achieved for the Compliance Audit Return 2011. Management should be congratulated for such a great achievement.

To continuously maintain full compliance with the Local Government Act 1995 and the associated Regulations, it is recommended that a full (about 300 questions) compliance audit return is used for self assessment purposes by all service areas once every six months. Assessment results will need to be presented to the Executive Management Team for scrutiny and follow up actions taken. It will serve the purposes of;

- 1) further demonstrating senior management's commitment to full legislative compliance;
- 2) reminding staff of the legislative requirements; and
- 3) providing an opportunity for rectifying any non compliance issues before the real return is completed.

PUBLIC CONSULTATION/COMMUNICATION

No external consultation has been carried out.

LATE ITEM C12/5215 - COMPLIANCE AUDIT RETURN 2011 (REC) (ATTACHMENT)**CONSULTATION WITH OTHER AGENCIES / CONSULTANTS**

No external consultation with other agencies has been carried out.

STATUTORY AND LEGAL IMPLICATIONS

As per the requirements of the Local Government Act 1995, Section 7.13(i) and Local Government (Audit) Regulations 1996 (Regulations 13–15)

FINANCIAL IMPLICATIONS

There are no financial implications for Council associated with this compliance audit.

STRATEGIC, RISK AND ENVIRONMENTAL MANAGEMENT IMPLICATIONS

The compliance audit will not impact on the strategies of the Council. There is no risk or environmental management implications in this report.

Risk Statement	Level of Risk	Risk Mitigation Strategy
The Compliance Audit Return is a statutory requirement and if the Return was not submitted, the Department of Local Government might take adverse action on the City.	Minor consequences which are almost certain, resulting in a High level of risk	Complete and submit the Return by the due date.

POLICY IMPLICATIONS

There are no specific policy implications, except where it can be determined that a matter may be subject to policy change where it does not currently comply with legislative requirements. There are no such instances identified in the return.

ALTERNATE OPTIONS AND THEIR IMPLICATIONS

The completion and submission of the Return by the due date is a statutory requirement.

CONCLUSION

The City is compliant in 100% of 78 questions that have been examined for their accurate statutory completion.

LATE ITEM C12/5215 - COMPLIANCE AUDIT RETURN 2011 (REC) (ATTACHMENT)**OFFICER & COMMITTEE RECOMMENDATION & COUNCIL RESOLUTION (5215)
APPROVAL**

That the Compliance Audit Return for the period 1 January 2011 to 31 December 2011 [5215 Compliance Audit Return 2011](#) be adopted and forwarded to the Department of Local Government following certification by His Worship the Mayor and the Chief Executive Officer.

At 9.44pm the Mayor submitted the motion, which was declared

CARRIED EN BLOC (12/0)

At 9.44pm Cr Reynolds left the meeting.

17. EN BLOC ITEMS

At 9.46pm Cr Robartson moved, seconded Cr Reidy -

That the recommendations for items, P12/3293, P12/3294, C12/5000, C12/6000, C12/6001, C12/6002, M12/5220, M12/5223, C12/5215 be carried En Bloc.

At 9.46pm the Mayor submitted the motion, which was declared **CARRIED (12/0)**

At 9.46pm Cr Reynolds returned to the meeting.

18. MOTIONS WITHOUT NOTICE BY ABSOLUTE MAJORITY OF THE COUNCIL

18.1 Incorporation of the Rubbish Collection Charge into the General Rates

At 9.46pm Cr Pazolli moved, seconded Cr Nicholson -

That Cr Pazolli be permitted to present a Motion Without Notice relating to Incorporation of the Rubbish Collection Charge into the General Rates.

At 9.47pm the Mayor submitted the motion, which was declared
CARRIED BY ABSOLUTE MAJORITY (7/6)

At 9.47pm Cr Pazolli moved, seconded Cr Nicholson -

That the Council directs the Chief Executive Officer to prepare:

- 1. A report to Council on the options and associated issues required to incorporate the current separate rubbish collection charge into the general rate charge for residential ratepayers (including general and minimum residential ratepayers).**
- 2. The 2012/2013 City of Melville budget be presented to Council in the current budget format (ie with the separate rubbish collection charge) as well as with the rubbish collection charge incorporated into the general residential (general and minimum) rate charge, for the consideration of Council.**

At 10.20pm Cr Taylor-Rees left the meeting and returned at 10.22pm

At 10.24pm the Mayor submitted the motion, which was declared
LOST (6/7)

Cr Barton requested that the votes be recorded –

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

19. CLOSURE

There being no further business to discuss, His Worship the Mayor declared the meeting closed at 10.25pm.