



— City of —
Melville

MINUTES

OF THE

ORDINARY MEETING OF THE COUNCIL

HELD ON

TUESDAY, 18 NOVEMBER 2008

AT 6.30PM IN THE COUNCIL CHAMBERS

MELVILLE CIVIC CENTRE

PLEASE READ THE FOLLOWING IMPORTANT DISCLAIMER BEFORE PROCEEDING:

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

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

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

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

DISTRIBUTED: 21 NOVEMBER 2008

TABLE OF CONTENTS

| Item Description | Page |
|--|-------------|
| ITEMS FROM FINANCIAL MANAGEMENT AUDIT, RISK & COMPLIANCE COMMITTEE MEETING – 28 OCTOBER 2008 | |
| C08/5028 - City of Melville Annual Financial Statements and Independent Auditors Report 2007-2008 (AMREC) (ATTACHMENT) | 7-11 |
| C08/5029 - Internal Audit Report – Vacation Care Programs (REC) (CONFIDENTIAL ATTACHMENT) | 12-15 |
| STRATEGIC URBAN PLANNING | |
| P08/3051 - Retrospective Application For A Tower Sign And Horizontal Signs On Lot 1 (1) Kearns Crescent, Ardross (AMREC) (ATTACHMENT) | 16-20 |
| P08/3053 - Two Storey Single House With Undercroft On Lot 501 (35A) Canning Beach Road, Applecross (AMREC) (ATTACHMENT) | 21-29 |
| TECHNICAL SERVICES | |
| T08/1002 - Proclamation Of Control Of Access For Roe Highway – Kwinana Freeway To Tonkin Highway (REC) (ATTACHMENT) | 30-33 |
| CUSTOMER AND CORPORATE SERVICES | |
| C08/5035 - Revised Schedule Of Planning Fees And Charges (AMREC) (ATTACHMENT) | 34-37 |
| C08/5036 - Expression Of Interest Purchase Or Ground Lease Part Lot 300 (10) Archibald St, Willagee Former Carawatha Primary School Site (REC) (CONFIDENTIAL ATTACHMENT) | 38-45 |
| C08/5037 - Report On Review Of Ward Boundaries And Elected Member Representation (AMREC) (ATTACHMENT) | 46-68 |
| C08/6000 - Investment Statements (REC) (ATTACHMENT) | 69-76 |
| C08/6001 - Schedule of Accounts (REC) (ATTACHMENT) | 77-80 |
| C08/6002 - Financial Statements (AMREC) (ATTACHMENT) | 81-86 |



— City of —
Melville

10 Almondbury Road Booragoon WA 6154
Postal Address: Locked Bag 1, Booragoon WA 6954
Tel: 08 9364 0666
Fax: 08 9364 0285
Email: melinfo@melville.wa.gov.au
Web: www.melvillecity.com.au

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 18 NOVEMBER 2008.

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 the Deputy Mayor, Cr P Phelan, 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

Cr H Everett, Cr N Pazolli
Cr D Macphail, Cr T Ceniviva
Cr R Subramaniam, Cr C W Robartson
Cr P M Phelan, Cr C M Halton
Cr J M Barton, Cr G Wieland
Cr L M Reynolds,

WARD

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

3. IN ATTENDANCE

Dr S Silcox
Mr M Tieleman
Mr C McClure
Mr J Christie
Ms C Young
Mr D Vinicombe

Mr B Taylor

Mr J Clark

Ms D Beilby
Ms C Rourke

POSITION TITLE

Chief Executive Officer
Director Corporate Services
Director Urban Planning
Director Technical Services
Director Community Development
Manager Planning & Development
Services
Manager Information, Technology &
Support
Governance & Compliance Program
Manager
Business Support Officer
Minute Secretary

At the commencement of the Meeting there were 12 members of the public in the Public Gallery and 1 member of the Press in the Press Gallery.

4. APOLOGIES AND APPROVED LEAVE OF ABSENCE

Cr Bennett University Ward

5. PUBLIC QUESTION TIME

Nil

6. AWARDS AND PRESENTATIONS

Nil

7. CONFIRMATION OF MINUTES

7.1 ORDINARY MEETING OF COUNCIL – 21 OCTOBER 2008
Min 21 Oct 2008

At 6.40pm Cr Macphail moved, Cr Barton seconded -

THAT THE MINUTES OF THE ORDINARY MEETING OF COUNCIL HELD ON TUESDAY 21 OCTOBER 2008 BE CONFIRMED AS A TRUE AND ACCURATE RECORD, SUBJECT TO THE FOLLOWING ALTERATION TO THE AMENDMENT 1 OF ITEM P08/5027 THAT WAS RECORDED AS BEING DECLARED LOST AT 7.51PM.

DELETE THE WORDS “80 PATRONS” AND INSERT THE WORDS “80 SQUARE METRES”.

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

CARRIED WITHOUT DISSENT (12/0)

7.2 NOTES OF AGENDA BRIEFING FORUM – 11 NOVEMBER 2008
Notes 11 Nov 2008

At 6.41pm Cr Barton moved, Cr Wieland seconded -

THAT THE NOTES OF THE AGENDA BRIEFING FORUM HELD ON TUESDAY 11 NOVEMBER 2008 BE RECEIVED.

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

CARRIED WITHOUT DISSENT (12/0)

7.3 FINANCIAL MANAGEMENT, AUDIT, RISK & COMPLIANCE COMMITTEE MEETING – 28 OCTOBER 2008
Min 28Oct 2008

At 6.41pm Cr Ceniviva moved, Cr Subramaniam seconded -

THAT THE MINUTES OF THE FINANCIAL MANAGEMENT, AUDIT, RISK & COMPLIANCE COMMITTEE MEETING HELD ON TUESDAY, 28 OCTOBER 2008 BE CONFIRMED AS A TRUE AND ACCURATE RECORD.

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

CARRIED WITHOUT DISSENT (12/0)

8. DECLARATIONS OF INTEREST

Nil

9. APPLICATIONS FOR NEW LEAVE OF ABSENCE

Nil

10. IDENTIFICATION OF MATTERS FOR WHICH MEETING MAY BE CLOSED

Nil

11. PETITIONS

Nil

12. REPORTS OF COMMITTEES

12.1 FINANCIAL MANAGEMENT, AUDIT, RISK & COMPLIANCE COMMITTEE MEETING – 28 OCTOBER 2008

C08/5028 - CITY OF MELVILLE ANNUAL FINANCIAL STATEMENTS AND INDEPENDENT AUDITORS REPORT 2007-2008 (AMREC) (ATTACHMENT)

| | | |
|----------------------------|---|--|
| Ward | : | All |
| Category | : | Operational |
| Subject Index | : | City of Melville Annual Financial Statements |
| Customer Index | : | Not Applicable |
| Disclosure of any Interest | : | No Officer involved in the preparation of this Annual Financial Statements has a declarable interest in this matter. |
| Previous Items | : | Item C08/5024 - City of Melville Draft Annual Report (Ordinary Meeting of Council – 21 October 2008) |
| Works Programme | : | Not Applicable |
| Funding | : | Not Applicable |
| Responsible Officers | : | Dudley Smith Manager Financial Services |

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> |

**C08/5028 - CITY OF MELVILLE ANNUAL FINANCIAL STATEMENTS AND
INDEPENDENT AUDITORS REPORT 2007-2008 (AMREC) (ATTACHMENT)****KEY ISSUES / SUMMARY**

- This report presents 2007-2008 Annual Financial Statements for the Council's acceptance.

BACKGROUND

In accordance with Section 5.53(1) of the Local Government Act 1995, a local government is required to prepare an Annual Report for each financial year. Section 5.54 of the Act requires that the Annual Financial Statements be accepted by the Local Government no later than 31 December for the previous financial year. Section 5.27 requires the Annual Financial Statements be accepted prior to the Annual Meeting of Electors.

The Council is required to accept the full Annual Financial Statements as per Section 6.4(2) of the Act, and electors will be made aware that the full version, including the complete Annual Financial Statements, is available on request.

The report requires acceptance by the Council prior to the Annual General Meeting of Electors to be held on Wednesday, 26 November 2008.

DETAIL

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

- a) A report from the Mayor
- b) A report from the Chief Executive Officer; and
- c) An overview of the plan for the future of the City made in accordance with section 5.56, including major initiatives that are proposed to commence or to continue in the next financial year; and
- d) Such information as may be prescribed in relation to the payments made by employees
 - The number of employees of the local government entitled to a salary of one hundred thousand dollars (\$100,000) or more; and
 - The number of those employees with an annual salary entitlement that falls within each band of ten thousand dollars (\$10,000) or more; and
- e) Information required by the National Competition Policy; and
- f) Information required by the Disability Services Act 1993; and
- g) Information required by the State Records Act; and
- h) The financial report for the financial year under review; and
- i) The Auditor's report for the financial year; and
- j) Such other information as may be prescribed.

C08/5028 - CITY OF MELVILLE ANNUAL FINANCIAL STATEMENTS AND INDEPENDENT AUDITORS REPORT 2007-2008 (AMREC) (ATTACHMENT)

In relation to paragraph (j), no other matters have been prescribed at this time.

The 2007-2008 Annual Financial Statements have been prepared and includes the following:

1. Statement by the Chief Executive Officer ([5028 Statement 2008.pdf](#)).
2. Interim Auditor's Report ([5028 Oct InterimAuditLetter 2008.pdf](#)).
3. Independent Auditor's Draft Report ([5028 Draft Audit Report 2008.pdf](#)).
4. Audited Annual Financial Statements ([5028 Oct AnnualReport 0708.pdf](#)).
5. Variance Analysis ([5028 Oct VarianceAnalysis 08.pdf](#)).

PUBLIC CONSULTATION/COMMUNICATION

No external public consultation has been carried out.

CONSULTATION WITH OTHER AGENCIES / CONSULTANTS

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

STATUTORY AND LEGAL IMPLICATIONS

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

Section 5.27 of the Act specifies that a General Meeting of Electors is to be held within fifty-six (56) days after the local government accepts the Annual Financial Statements for the previous financial year.

FINANCIAL IMPLICATIONS

The Annual Financial Statements has been prepared in accordance with all relevant legal requirements and accounting standards.

STRATEGIC AND RISK MANAGEMENT IMPLICATIONS

Nil.

**C08/5028 - CITY OF MELVILLE ANNUAL FINANCIAL STATEMENTS AND
INDEPENDENT AUDITORS REPORT 2007-2008 (AMREC) (ATTACHMENT)****POLICY IMPLICATIONS**

14-PL-001 – relating to the Annual Meeting of Electors was deleted at the October 2008 Ordinary Meeting of Council so that the date of the meeting will now be set by the Chief Executive Officer each year in accordance with section 5.29(1) of the Local Government Act 1995. The date set for the meeting this year is still the last Wednesday in November being 26 November 2008.

ALTERNATE OPTIONS AND THEIR IMPLICATIONS

Nil.

CONCLUSION

The Annual Financial Statements was developed from key information gathered from all areas of the organisation from quarterly and end-of-year reports, the Long Term Financial Plan, and other corporate documents.

The final published report will be known as a 'Community Annual Report' as the full Annual Financial Statements will not be part of the final publication but will be available on request.

A draft qualified auditor's report was received following the final audit, and the 2007-2008 Annual Financial Statements is presented to the Council for acceptance. A final qualified auditor's report will be tabled at this meeting. This is required by legislation to happen prior to the Annual General Meeting of Electors scheduled to be held on Wednesday, 26 November 2008.

**OFFICER & COMMITTEE RECOMMENDATION & COUNCIL RESOLUTION (5028)
ABSOLUTE MAJORITY**

At 6.42pm Cr Ceniviva moved, Cr Robartson seconded -

**THAT THE CITY OF MELVILLE 2007-2008 ANNUAL FINANCIAL STATEMENTS BE
ADOPTED.**

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

CARRIED BY ABSOLUTE MAJORITY (12/0)

**C08/5028 - CITY OF MELVILLE ANNUAL FINANCIAL STATEMENTS AND
INDEPENDENT AUDITORS REPORT 2007-2008 (AMREC) (ATTACHMENT)**

**OFFICER & COMMITTEE RECOMMENDATION & COUNCIL RESOLUTION (5028)
ABSOLUTE MAJORITY**

At 6.42pm Cr Ceniviva moved, Cr Robartson seconded -

**THAT THE INDEPENDENT AUDITOR'S REPORT FOR 2007-2008 BE RECEIVED.
[5028 Audit Report.pdf](#)**

At 6.42pm the Mayor submitted the motion, which was declared
CARRIED BY ABSOLUTE MAJORITY (12/0)

**OFFICER & COMMITTEE RECOMMENDATION & COUNCIL RESOLUTION (5028)
ABSOLUTE MAJORITY**

At 6.43pm Cr Ceniviva moved, Cr Robartson seconded -

**THAT BY ABSOLUTE MAJORITY DECISION OF THE COUNCIL THE CITY OF
MELVILLE 2007-2008 ANNUAL REPORT BE ADOPTED.**

At 6.43pm the Mayor submitted the motion, which was declared
CARRIED BY ABSOLUTE MAJORITY (12/0)

**C08/5029 - INTERNAL AUDIT REPORT – VACATION CARE PROGRAMS (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 : Not Applicable
 Works Programme : Not Applicable
 Funding : Not Applicable
 Responsible Officer : Ken Wan
 Process Improvement Auditor

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> |

**C08/5029 - INTERNAL AUDIT REPORT – VACATION CARE PROGRAMS (REC)
(ATTACHMENT)****KEY ISSUES / SUMMARY**

37 areas were identified in this investigation where control improvements could be made. Suggestions were made by the Process Improvement Auditor and most of them have been accepted by Management.

BACKGROUND

A wide ranging review/investigation was carried out covering the operational efficiency and regulatory compliance of all 3 vacation care programs undertaken at the request of the Chief Executive Officer as a result of a recent incident..

DETAIL

Refer to the Confidential Report Vacation Care Programs in Children Services for details. The report is confidential under Section 5.23(2) (a) as it contains information relating to an employee or employees. ([Confidential Attachment distributed separately](#))

PUBLIC CONSULTATION/COMMUNICATION

No external consultation has been carried out.

CONSULTATION WITH OTHER AGENCIES / CONSULTANTS

No such consultation has been carried out.

STATUTORY AND LEGAL IMPLICATIONS

There are explicit responsibilities placed on the CEO to ensure all operations are managed efficiently and effectively.

Section 5.41(d) of the Local Government Act 1995 states that “the CEO’s functions are to manage the day to day operations of the local government”.

Section 5(1) of the Local Government (Financial Management) Regulations 1996 requires “efficient systems and procedures are to be established by the CEO of a local government...”.

C08/5029 - INTERNAL AUDIT REPORT – VACATION CARE PROGRAMS (REC)
(ATTACHMENT)

Section 5(2) of the Local Government (Financial Management) Regulations 1996 requires “The CEO is to ensure that the resources of the local government are effectively and efficiently managed---”.

The implementation of the audit recommendations will assist the CEO to comply with the above statutory requirements.

There are also specific legislative requirements, namely Child Care Services Act 2007 and Child Care Services (Outside School Hours Care) Regulations 2006, governing the operations of vacation care programs. (See Internal Audit Report re Vacation Care Programs for details).

FINANCIAL IMPLICATIONS

There are significant financial penalties ranging from \$2,000 to \$24,000 (ie. for a subsequent offence to provide child care service without a licence) for the Council in regards to non compliance with the 2007 Act and the 2006 Regulations.

STRATEGIC AND RISK MANAGEMENT IMPLICATIONS

One of the major functions of internal auditing is to provide assurance to the Audit Committee and senior management that all key business risks have been properly identified and appropriately managed.

Compliance risk is one of the key business risks and a regular review of major services and highly regulated services will minimise the risk of non compliance with the legislative requirements.

POLICY IMPLICATIONS

There are no specific implications for Council Policies. However, certain operational policies might need to be amended resulting from this investigation.

ALTERNATE OPTIONS AND THEIR IMPLICATIONS

Not applicable.

**C08/5029 - INTERNAL AUDIT REPORT – VACATION CARE PROGRAMS (REC)
(ATTACHMENT)**

CONCLUSION

This investigation provides an opportunity for Management to critically review the operation of Vacation Care Programs and address issues identified in the report. Certain staff issues have also been identified and will need to be addressed separately by the relevant Director.

**OFFICER & COMMITTEE RECOMMENDATION & COUNCIL RESOLUTION (5029)
NOTED**

At 6.43pm Cr Robartson moved, Cr Subramaniam seconded -

THAT THE CONFIDENTIAL INTERNAL AUDIT REPORT ENTITLED “VACATION CARE PROGRAMS IN CHILDREN SERVICES” BE NOTED.

**OFFICER & COMMITTEE RECOMMENDATION & COUNCIL RESOLUTION (5029)
APPROVAL**

THAT THE CITY WILL DEVELOP A PLANNED WITHDRAWAL FROM THE VACATION CARE PROGRAM SERVICE AND SEEK OPPORTUNITIES FOR ANOTHER ORGANISATION TO PROVIDE THE SERVICE.

At 6.43pm the Mayor submitted the motion, which was declared **CARRIED EN BLOC
WITHOUT DISSENT (12/0)**

13. REPORTS OF THE CHIEF EXECUTIVE OFFICER

The Presiding Member is to advise 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 a part of 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. This on it's part requires the application of the relevant facts to the appropriate statutory regime.

P08/3051 - RETROSPECTIVE APPLICATION FOR A TOWER SIGN AND HORIZONTAL SIGNS ON LOT 1 (1) KEARNS CRESCENT, ARDROSS (AMREC) (ATTACHMENT)

Ward : Applecross/Mount Pleasant Ward
 Category : Operational Policy
 Application Number : DA-2008-1175
 Property : 1 Kearns Crescent, ARDROSS
 Proposal : Sign
 Applicant : Mr R Calnan
 Owner : Ashland Corporation Pty Ltd
 Disclosure of any Interest : No Officer involved in the preparation of this report has a declarable interest in this matter.
 Responsible Officer : Mr David Vinicombe
 Manager Planning and Development Services
 Previous Items : None

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 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 checked="" 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> |

P08/3051 - RETROSPECTIVE APPLICATION FOR A TOWER SIGN AND HORIZONTAL SIGNS ON LOT 1 (1) KEARNS CRESCENT, ARDROSS (AMREC) (ATTACHMENT)**KEY ISSUES / SUMMARY**

- Application is made retrospectively for business signage including a four sided Tower sign and three Horizontal Signs at the above address.
- Council's Building Services served a Direction Notice on the owners of the property to remove the sign which were erected without approval.
- The applicants have subsequently appealed the Direction to the State Administrative Tribunal (SAT) and submitted an application for retrospective Planning and Building Approval.
- The Horizontal Signs may be approved as they are in accordance with the requirements of the Local Law relating to Signs, Hoardings and Billpostings.
- CPS5 states Tower and Roof Signs are prohibited in the District Centre 2 – Riseley Centre Precinct.
- Clause 4.2(b) of CPS5 allows for variation of the Scheme subject to an Absolute Majority decision of the Council, provided there is no adverse effect upon occupiers or users of the development or local residents, future development in the locality is not prejudiced and the proposal satisfied Clause 7.8 of the Scheme.
- As the sign as erected does not have an adverse effect on the surrounding occupiers or users, or future amenity of the precinct area, it is recommended that Clause 4.2(b) be exercised and approval be granted.

BACKGROUND

In 2003, approval was granted to change the use of the property from a photo shop to an office (Real Estate agent). The real estate agent as part of their desire to create a new façade, gained approval in 2004 for additions including an external stairwell and a new "space frame" – a skeletal pyramid structure situated above the western side entry/foyer portion of the building. No signage was approved as part of the Council's consideration at that time.

Council's Building Services became aware of this unauthorised signage and served Notice on the owners/occupiers of the property to remove the signage. The notice has subsequently been appealed and a retrospective planning application the subject of this report submitted.

The planning application is the subject of this report.

P08/3051 - RETROSPECTIVE APPLICATION FOR A TOWER SIGN AND HORIZONTAL SIGNS ON LOT 1 (1) KEARNS CRESCENT, ARDROSS (AMREC) (ATTACHMENT)**Scheme Provisions**

| | | |
|--------------|---|------------------------------------|
| MRS Zoning | : | Urban |
| CPS 5 Zoning | : | District Centre 2 – Riseley Centre |
| R-Code | : | R60 |
| Use Type | : | Office |
| Use Class | : | 'P' Use – use is permitted |

Site Details

| | | |
|--------------------------------------|---|--|
| Lot Area | : | 1042.20 sqm |
| Retention of Existing Vegetation | : | Not Applicable |
| Street Tree(s) | : | Not Applicable |
| Street Furniture (drainage pits etc) | : | Not Applicable |
| Site Details | : | 3051 Property Map.pdf 3051 Tower Sign.pdf |

DETAIL

The Council's Local Law relating to Signs, Hoardings and Billpostings provides the following definition and requirements for Tower Signs and Horizontal Signs:

A Tower Sign is defined as “a sign affixed to or placed on a chimney stack or open structural mast or Tower”.

Requirements for Tower Signs: A Tower Sign shall not, unless otherwise specially approved by Council:

- (a) indicate or display any matter other than the name of the owner or occupier of the land or premises on which the mast, tower or chimney stack is erected;
- (b) if illuminated, be a flashing sign;
- (c) exceed in height one-sixth of the height of the mast, tower or chimney stack on which it is placed;
- (d) exceed in width the width or diameter of the mast, tower or chimney stack on which it is placed; or
- (e) extend laterally beyond any part of the mast, tower or chimney stack on which it is placed.

A Horizontal Sign is defined as “a sign fixed parallel to the wall of a building to which it is attached and with its largest dimension horizontal”.

P08/3051 - RETROSPECTIVE APPLICATION FOR A TOWER SIGN AND HORIZONTAL SIGNS ON LOT 1 (1) KEARNS CRESCENT, ARDROSS (AMREC) (ATTACHMENT)

Requirements for Horizontal Signs: A horizontal Sign shall:

- (a) afford a minimum headway of 2.75m;
- (b) be fixed parallel to the wall of the building to which it is attached;
- (c) be no more than 750mm in depth if less than 7.5m above street level;
- (d) not project more than 600mm from the wall to which it is attached;
- (e) not be within 600mm of either end of the wall to which it is attached.

PUBLIC CONSULTATION/COMMUNICATION

| | |
|-------------------------------|---|
| Advertising Required: | No |
| Neighbour's Comment Supplied: | No |
| Reason: | No deemed impact on neighbouring properties |
| Support/Object: | Not Applicable |

REFERRALS TO GOVERNMENT AGENCIES

Not Applicable

STATUTORY AND LEGAL IMPLICATIONS

If consent is refused the applicant will have the right to have the decision reviewed in accordance with Part 14 of the Planning and Development Act 2005.

City of Melville Local Law relating to Signs, Hoardings and Bill postings applies.

FINANCIAL IMPLICATIONS

Not Applicable

STRATEGIC AND RISK MANAGEMENT IMPLICATIONS

Not Applicable

POLICY IMPLICATIONS

Community Planning Scheme No. 5 and Local Law provisions apply.

P08/3051 - RETROSPECTIVE APPLICATION FOR A TOWER SIGN AND HORIZONTAL SIGNS ON LOT 1 (1) KEARNS CRESCENT, ARDROSS (AMREC) (ATTACHMENT)**DISCUSSION**

Whilst the signs comply with the Council's Local Law requirements, the Tower Sign conflicts with the provisions of the Council's Community Planning Scheme No. 5 ("the Scheme"), which requires that within the Riseley Centre Precinct, advertising on towers and roofs are prohibited. The Precinct Policy indicates that other signs (i.e. Horizontal Sign) may be approved in accordance with the Signs, Hoardings and Billposting by-laws.

Clause 4.2(b) of the Scheme provides the ability to vary this requirement and approve non compliant development either unconditionally or subject to conditions through an Absolute Majority Decision of the Council provided that there is no adverse effect upon occupiers or users of the development or local residents, the future development in the locality is not prejudiced and the proposal satisfies Clause 7.8 of the Scheme. Clause 7.8 includes (amongst other matters) reference to the objectives and provisions of the Scheme, orderly and proper planning, any non-statutory guideline, planning policy, strategy or plan and the design and external appearance of the building.

In this instance, the Tower Sign does not prejudice amenity or development potential within this area or cause an adverse impact on the local occupiers of development. The structure upon which the sign is sited is authorised. The retention of the signage on the structure does not give rise to any further concerns, nor does it exacerbate the existing visual impact. In addition, the proposal is in accordance with the provisions of Clause 7.8 of the Scheme.

CONCLUSION

In light of the above, the impact of the Tower Sign is not considered detrimental to the precinct, the occupiers nor the future development of the locality. Accordingly, it is recommended Council exercise Clause 4.2 of the Scheme and grant planning approval to the Tower Sign unconditionally. As the approval in this regard requires an Absolute Majority Decision of Council, the matter is referred to Council for determination. In addition, approval is recommended for the Horizontal Signs.

**OFFICER RECOMMENDATION & COUNCIL RESOLUTION (3051)
ABSOLUTE MAJORITY APPROVAL**

At 6.43pm Cr Pazolli moved, Cr Everett seconded -

THAT COUNCIL RESOLVE, PURSUANT TO CLAUSE 4.2(B) OF COMMUNITY PLANNING SCHEME NO. 5 TO APPROVE THE RETROSPECTIVE APPLICATION FOR A TOWER SIGN AND HORIZONTAL SIGNS ON LOT 1 (1) KEARNS CRESCENT, ARDROSS UNCONDITIONALLY.

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

CARRIED BY ABSOLUTE MAJORITY (12/0)

**P08/3053 - TWO STOREY SINGLE HOUSE WITH UNDERCROFT ON LOT 501 (35A)
CANNING BEACH ROAD, APPLECROSS (AMREC) (ATTACHMENT)**

Ward : Applecross/Mt Pleasant
 Category : Operational
 Application Number : DA-2008-2
 Property : 35a Canning Beach Road, Applecross
 Proposal : Two Storey Single House with Undercroft
 Applicant : Private Horizon Planning Solutions
 Owner : Ms L D Masi
 Disclosure of any Interest : No Officer involved in the preparation of this report has a declarable interest in this matter.
 Responsible Officer : Mr David Vinicombe
 Manager Planning and Development Services
 Previous Items : P08/3050 - Two storey Single House with undercroft on Lot 501 (35a) Canning Beach Road, Applecross U08/0238 Development Advisory Unit (DAU) on 9 September 2008
[3053 previous item 3050 Oct 2008.pdf](#)

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 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 checked="" 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> |

**P08/3053 - TWO STOREY SINGLE HOUSE WITH UNDERCROFT ON LOT 501 (35A)
CANNING BEACH ROAD, APPLECROSS (AMREC) (ATTACHMENT)**

KEY ISSUES / SUMMARY

- Council granted approval for the development of a 2 storey residence with an undercroft garage at 35A Canning Beach Road, Applecross on 21 October 2008 (Report P08/3050);
- The application proposes several variations to the Residential Design Codes inclusive of overshadowing requirements;
- Objections were received from potentially affected neighbours;
- The approval included condition 8 which stated that: *“Portion of the rear stairway to the master suite to be setback a further 1.3m to the west to reduce the impact of overshadowing on the adjoining property.”*
- The condition intended to reduce the overshadowing impact on the ground floor guest bedroom of the adjoining development to the south at 35B Canning Beach Road.
- The condition inadvertently referred to moving the stairway to the west; however, this will increase the overshadowing impact on the adjoining property.
- The condition should have stated moving the stairway to the east or from the west.
- The applicant has requested consideration of revised plans which achieve the same original intent of the former resolution and condition 8.
- It is proposed that condition 8 be rescinded and replaced with a condition which states *“Portion of the rear stairway to the master suite to be setback a further 1.3m to the east to reduce the impact of overshadowing on the adjoining property.”*

BACKGROUND

This application was referred to the Development Advisory Unit (DAU) on 9 September 2008 (Report P08/3050) and subsequently approved by Council at its Ordinary Meeting held on 21 October 2008. The approval was subject to a number of conditions inclusive of the following conditions:

- 8. PORTION OF THE REAR STAIRWAY TO THE MASTER SUITE TO BE SETBACK A FURTHER 1.3M TO THE WEST TO REDUCE THE IMPACT OF OVERSHADOWING ON THE ADJOINING PROPERTY.**

Prior to issue of formal Planning Approval following the Council meeting, it was noticed that relocation of the stairway to the west indicated in condition 8 would be contrary to the intent of the condition as stated to reduce the impact of overshadowing on the adjoining property.

**P08/3053 - TWO STOREY SINGLE HOUSE WITH UNDERCROFT ON LOT 501 (35A)
CANNING BEACH ROAD, APPLECROSS (AMREC) (ATTACHMENT)**

In consideration of this error in the condition, the Development Approval has not been issued and no formal written notification has been made of the resolution of Council to the adjoining property owners or the applicant.

Accordingly, the matter is referred back to Council for a formal rescission motion in relation to the respective condition/s to achieve the original intent.

Scheme Provisions

MRS Zoning : Urban
CPS 5 Zoning : River Foreshore RFS
R-Code : R12.5
Use Type : Residential
Use Class : P

Site Details

Lot Area : 695sqm
Retention of Existing Vegetation : N/A
Street Tree(s) : No
Street Furniture (drainage pits etc) : No
Site Details : [3053 Property Map.pdf](#)

[3053 Site & Setout Plans.pdf](#)

[3053 \(3050\) Amended Plans.pdf](#) : (Refer to revised plans dated 22 September, 2008)

DETAIL

Development Requirements

| Development Requirement | Required/ Allowed | Proposed | Comments | Delegation to approve variation | Plan Notation |
|-------------------------|-----------------------------------|--------------|------------------------|---------------------------------|---------------|
| Overshadowing | 25% of adjoining neighbour | 35.7% | Does not comply | MPDS | |

(Note: Non compliance is emphasised in bold)

**P08/3053 - TWO STOREY SINGLE HOUSE WITH UNDERCROFT ON LOT 501 (35A)
CANNING BEACH ROAD, APPLECROSS (AMREC) (ATTACHMENT)****PUBLIC CONSULTATION/COMMUNICATION**

| | |
|-------------------------------|---|
| Advertising Required: | Previously undertaken – See details in attached report P08/3050 |
| Neighbour's Comment Supplied: | Yes |
| Reason: | R-Codes variations |
| Support/Object: | 3 neighbour's previously consulted, 3 submissions received objecting to the proposal – previously considered. |

STATUTORY AND LEGAL IMPLICATIONS

The above non-compliances and approval has been previously determined by Council. Accordingly, determination of this matter should be confined to the content of Condition 8 and its original intent. Should the Council apply a condition which is considered inappropriate, the applicant will have the right to have the decision or condition reviewed in accordance with Part 14 of the Planning and Development Act 2005.

FINANCIAL IMPLICATIONS

There are no anticipated financial implications.

STRATEGIC AND RISK MANAGEMENT IMPLICATIONS

There are no anticipated strategic and risk management implications.

POLICY IMPLICATIONS

Planning Policy 06-PL-008 - Residential Development, applies

ALTERNATE OPTIONS & THEIR IMPLICATIONS

Although, no formal written advice has been provided to the applicant, the matter has been discussed. The applicant does not favour the relocation of the stairs to the east and initially raised an alternative of relocating the whole building 1.3m to the east to achieve the same intent of the original condition. This proposal would have also involved retaining the walls of proposed terraces and balcony and roof of the balcony of the dwelling in the same position with a 6.2m front setback so as to reduce the impact of the development on the adjoining property owner. In addition, obscure glazed screening was proposed to be applied to the balcony and in front of the side terrace wall incorporated into the gate house (maintained with the minimum 3.75m front setback).

**P08/3053 - TWO STOREY SINGLE HOUSE WITH UNDERCROFT ON LOT 501 (35A)
CANNING BEACH ROAD, APPLECROSS (AMREC) (ATTACHMENT)**

Following detailed discussions with the owner, it was determined that this option would not be presented for formal consideration and that he would prefer condition 8 modified to reflect its original intent so that he can consider his options for appeal.

COMMENTS

The original application proposed several variations to the Residential Design Codes. The Residential Design Codes provides for the option of the application being assessed under the Acceptable Development Standards (prescriptive) or the Performance Criteria (performance based). Where the applicant applies under the Performance Criteria the onus is on him / her to provide sufficient information demonstrating how the Performance Criteria has been satisfied. The application can be supported if the applicant can, to the satisfaction of the City, demonstrate compliance with the Performance Criteria.

In effect, Council has already determined the Code variation matters and accordingly, further consideration of this application is now confined to the reduction of the overshadowing impact on the guest bedroom of the adjoining property to the south by instatement of the condition as originally intended.

Overshadowing

The application proposes a total of 35.7% overshadowing at 12 noon on 21 June. The Acceptable Development standards provide for a maximum of 25% overshadowing.

The application must be assessed against the Performance Criteria 6.9.1 Solar access for adjoining sites, which states:

“P1 Development designed to protect solar access for neighbouring properties taking account the potential to overshadow:

- outdoor living areas;*
- major openings to habitable rooms;*
- solar collectors; or*
- balconies or verandahs.”*

Report P08/3050 addressed the performance criteria and concluded that the primary concerns were the overshadowing impact on the upper floor bedroom 2 window, the ground floor guest bedroom window and outdoor living areas.

**P08/3053 - TWO STOREY SINGLE HOUSE WITH UNDERCROFT ON LOT 501 (35A)
CANNING BEACH ROAD, APPLECROSS (AMREC) (ATTACHMENT)**

Overshadowing impacts to the upper floor bedroom 2 window and outdoor living areas was considered to comply with the performance criteria above. With regard to the guest bedroom window on the ground floor, the proposed development and revised plans dated 22 September completely overshadow this window. The impact could be considerably reduced (to approximately half of the window) by relocating the proposed stairs 1.3m to the east of their proposed location. This would slightly reduce the length of the Master Suite and family room below, but would increase the size of the entry and could be designed so as not to impact on the undercroft garage area. It is considered that the reduced impact on solar access resulting from this requirement would significantly reduce the overshadowing impact on the guest bedroom to the extent that the performance criteria would be satisfied relative to this window.

The approval granted by Council (as intended) would reduce the overshadowing impact to approximately 26.77%. It is noted that the plans indicate the overshadowing angle at 33° whereas the Codes stipulate 34°. This will accordingly reduce the overshadowing impact on the adjoining property; however the extent of this reduction cannot be quantified at this point.

CONCLUSION

It is considered that correction to condition 8 will satisfy the intent of Council's previous consideration of this matter. Accordingly it is recommended that condition 8 be modified to read as follows:

8. *Portion of the rear stairway to the master suite to be setback a further 1.3m to the east to reduce the impact of overshadowing on the adjoining property.*

At 6.44pm the Mayor advised the meeting that a Notice of Rescission requiring the signature of 1/3 of the number of offices of members of the Council, in accordance with Regulation 10 of the Local Government (Administration) Regulations 1996, had been received. The members who signed the Notice were Councillors Robartson, Halton, Phelan, Reynolds and Pazolli.

**OFFICER RECOMMENDATION & COUNCIL RESOLUTION (3053)
ABSOLUTE MAJORITY APPROVAL**

At 6.44pm Cr Pazolli moved, Cr Everett seconded -

- A) **THAT BY ABSOLUTE MAJORITY DECISION OF THE COUNCIL, CONDITION 8 OF ITEM P08/3050 (AS FOLLOWS) FOR THE TWO STOREY SINGLE HOUSE WITH UNDERCROFT ON LOT 501 (35A) CANNING BEACH ROAD, APPLECROSS (THAT WAS RESOLVED BY COUNCIL AT THE ORDINARY MEETING HELD ON 21 OCTOBER 2008), BE RESCINDED.**
8. **PORTION OF THE REAR STAIRWAY TO THE MASTER SUITE TO BE SETBACK A FURTHER 1.3M TO THE WEST TO REDUCE THE IMPACT OF OVERSHADOWING ON THE ADJOINING PROPERTY.**

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

CARRIED BY ABSOLUTE MAJORITY (12/0)

**P08/3053 - TWO STOREY SINGLE HOUSE WITH UNDERCROFT ON LOT 501 (35A)
CANNING BEACH ROAD, APPECROSS (AMREC) (ATTACHMENT)**

OFFICER RECOMMENDATION & COUNCIL RESOLUTION (3053)

APPROVAL

At 6.46pm Cr Pazolli moved, Cr Everett seconded -

B) AS A RESULT OF A) ABOVE, COUNCIL RESOLVE TO APPROVE THE DEVELOPMENT OF A TWO STOREY SINGLE HOUSE WITH UNDERCROFT GARAGE ON LOT 501 (35A) CANNING BEACH ROAD, APPECROSS WITH THE FOLLOWING MODIFIED CONDITIONS:

SPECIAL CONDITIONS:

- 1. NO DEVELOPMENT, FILL, BUILDING MATERIALS, RUBBISH OR ANY OTHER DELETERIOUS MATTER SHALL BE DEPOSITED ON THE PARKS AND RECREATION RESERVATION OR ALLOWED TO ENTER THE RIVER AS A RESULT OF THE DEVELOPMENT.**
- 2. STORMWATER DRAINAGE SHALL BE CONTAINED ON SITE.**
- 3. ANY FENCE OR GATE TO BE CONSTRUCTED ALONG THE BOUNDARY OF THE PARKS RECREATION RESERVE (CANNING BEACH ROAD) SHALL BE OPEN VIEW ABOVE 1.2 METRES WITH A MAXIMUM HEIGHT OF NO MORE THAN 1.8 METRES INCLUDING ANY RETAINING WALLS.**
- 4. THE NORTH FACE OF THE TERRACE BEING MADE TO COMPLY WITH DESIGN ELEMENT 8 – PRIVACY OF THE RESIDENTIAL DESIGN CODES 2008 TO THE APPROVAL OF THE MANAGER PLANNING AND DEVELOPMENT SERVICES.**
- 5. THE PROPOSED ALFRESCO / DECK / SPA AREA AND ASSOCIATED PRIVACY PERGOLA SHALL COMPLY WITH DESIGN ELEMENT 8 – PRIVACY OF THE RESIDENTIAL DESIGN CODES TO THE APPROVAL OF THE MANAGER PLANNING AND DEVELOPMENT SERVICES.**
- 6. PLANS TO BE MODIFIED TO ACCORD WITH SUBMITTED PLANS DATED 22 SEPTEMBER 2008 AND FURTHER MODIFIED TO SATISFY CONDITIONS 7 AND 8 BELOW TO REDUCE THE IMPACT OF OVERSHADOWING ON THE ADJOINING PROPERTY.**
- 7. PORTION OF THE PROPOSED DEVELOPMENT'S UPPER FLOOR AND EYES (LINEN CUPBOARD AREA OF MASTER SUITE) TO BE SETBACK IN LINE WITH THE UPPER FLOOR VOID AS MARKED IN RED ON APPROVED PLANS TO REDUCE THE IMPACT OF OVERSHADOWING ON THE ADJOINING PROPERTY.**
- 8. PORTION OF THE REAR STAIRWAY TO THE MASTER SUITE TO BE SETBACK A FURTHER 1.3M TO THE EAST TO REDUCE THE IMPACT OF OVERSHADOWING ON THE ADJOINING PROPERTY.**

**P08/3053 - TWO STOREY SINGLE HOUSE WITH UNDERCROFT ON LOT 501 (35A)
CANNING BEACH ROAD, APPLECROSS (AMREC) (ATTACHMENT)**

- 9. THE FRONT ELEVATED PLATFORM AT A HEIGHT OF RL 2.472 TO BE REDUCED TO A MAXIMUM FILL HEIGHT OF 0.5M TO REDUCE THE IMPACT OF FILL ON THE STREETScape.**

STANDARD CONDITIONS:

- 10. ALL STORMWATER AND DRAINAGE RUN OFF TO BE CONTAINED ON SITE. AN ONSITE STORMWATER DRAINAGE SYSTEM WITH A CAPACITY TO CONTAIN A 1:100 YEAR STORM OF A TWENTY-FOUR (24) HOUR DURATION IS TO BE PROVIDED PRIOR TO THE DEVELOPMENT FIRST BEING OCCUPIED AND THEREAFTER MAINTAINED TO THE SATISFACTION OF THE MANAGER PLANNING AND DEVELOPMENT SERVICES. ALL DOWNPIPES TO BE CONNECTED TO SOAKWELLS. THE PROPOSED STORMWATER DRAINAGE SYSTEM IS REQUIRED TO BE SHOWN ON THE BUILDING LICENCE SUBMISSION FOR APPROVAL PRIOR TO THE COMMENCEMENT OF CONSTRUCTION.**
- 11. ROOFING MATERIALS BEING OF A NON-REFLECTIVE MATERIAL (ZINC OR WHITE COLOUR METAL ROOFING MAY ONLY BE PERMITTED THROUGH SPECIAL PLANNING CONSENT).**
- 12. PRIOR TO THE COMMENCEMENT OF ANY CONSTRUCTION THE COUNCIL REQUIRES THE PROVISION OF A SUITABLE RECEPTACLE FOR THE CONTAINMENT OF WINDBLOWN RUBBISH. THE RECEPTACLE (GENERALLY A WIRE MESH CAGE) SHOULD HAVE MAXIMUM OPENINGS OF 100MM; HAVE A BASE OF 4M² AND A HEIGHT OF 1M AND A HINGED LID. THE RECEPTACLE SHOULD NOT BE ALLOWED TO OVERFILL.**
- 13. ALL COMMON BOUNDARY FENCING WHERE ABUTTING RESIDENTIAL LOTS TO BE 1.8 METRES IN HEIGHT AT ANY POINT ALONG THE DIVIDING BOUNDARIES MEASURED FROM THE HIGHEST RETAINED GROUND LEVEL. ALL FENCING TO BE PROVIDED IN ACCORDANCE WITH THE DIVIDING FENCES ACT AND BE CONSTRUCTED AS A MINIMUM STANDARD OF FIBRE CEMENT. GROUND LEVELS MAY NOT BE CHANGED OTHER THAN APPROVED AS PART OF THIS APPROVAL.**
- 14. THE CONSTRUCTION OF RETAINING WALLS NOT TO EXCEED THE HEIGHTS SPECIFIED ON THE APPROVED PLANS UNLESS OTHERWISE APPROVED BY COUNCIL. DETAILS, SIGNED BY A PRACTICING STRUCTURAL ENGINEER MUST BE SUBMITTED FOR APPROVAL AT THE TIME OF SUBMITTING A BUILDING LICENCE APPLICATION.**

**P08/3053 - TWO STOREY SINGLE HOUSE WITH UNDERCROFT ON LOT 501 (35A)
CANNING BEACH ROAD, APPLECROSS (AMREC) (ATTACHMENT)**

- 15. THE DEVELOPMENT IS TO BE CONNECTED TO THE WATER CORPORATION'S RETICULATED SEWERAGE SYSTEM.**
- 16. THE DEVELOPMENT COMPLYING WITH ANY AMENDMENTS AND NOTATIONS MARKED IN 'RED' AS SHOWN ON THE APPROVED PLANS.**

SPECIAL FOOTNOTES:

- 17. THE APPLICANT IS ADVISED THAT THE PROPOSED DEVELOPMENT IS LOCATED IN AN ACID SULPHATE SOIL RISK AREA, AND IT IS THEREFORE RECOMMENDED THAT AN ACID SULPHATE SOIL RISK ASSESSMENT BE CARRIED OUT PRIOR TO DEVELOPMENT, AND IF NECESSARY, A MANAGEMENT PLAN BE PREPARED AND IMPLEMENTED.**
 - 18. THE AIR CONDITIONING AND POOL EQUIPMENT WILL NEED TO COMPLY WITH THE ENVIRONMENTAL PROTECTION (NOISE) REGULATIONS 1997. NOTE THAT AIR-CONDITIONING OR POOL EQUIPMENT LOCATED ADJACENT TO THE BOUNDARY IS UNLIKELY TO COMPLY. THE LOCATION OF ANY POOL EQUIPMENT OR AIR CONDITIONING SHOULD BE SHOWN ON THE PLANS AT BUILDING LICENCE STAGE.**
- C) ADJOINING PROPERTY OWNERS WHO MADE SUBMISSIONS ON THE PROPOSED DEVELOPMENT BE ADVISED IN WRITING OF A) AND B) ABOVE.**

At 6.46pm the Mayor submitted the motion, which was declared

CARRIED (12/0)

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

**T08/1002 - PROCLAMATION OF CONTROL OF ACCESS FOR ROE HIGHWAY –
KWINANA FREEWAY TO TONKIN HIGHWAY (REC) (ATTACHMENT)**

Ward : All
 Category : Operations
 Subject Index : Construction and Maintenance Programs / Roe Highway
 Customer Index : Main Roads WA
 Disclosure of any Interest : No Officer involved in the preparation of this report has a declarable interest in this matter.
 Previous Items : Item T08/1001 - Ordinary Meeting of Council held on 15 July 2008
 Works Programme : Not Applicable
 Funding : Not Applicable
 Responsible Officer : John Cameron
 Executive Engineer

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> |

**T08/1002 - PROCLAMATION OF CONTROL OF ACCESS FOR ROE HIGHWAY –
KWINANA FREEWAY TO TONKIN HIGHWAY (REC) (ATTACHMENT)****KEY ISSUES / SUMMARY**

- To formalise the proclamation of control of access for Roe Highway from Kwinana Freeway to Tonkin Highway.
- To endorse the proclamation drawings within Melville shown in drawing numbers 0360-082 and 0360-083 as requested by of Main Roads.
- Advise the Commissioner of Main Roads of Council's decision.

BACKGROUND

The extension of Roe Highway from South Street to Kwinana Freeway was opened in mid March 2006.

In accordance with Section 13 of the Main Roads Act, the Commissioner of Main Roads with the formal endorsement of Local Governments involved, would make recommendations to the Honourable Minister for Planning to formally proclaim Roe Highway and associated infrastructure as a State Road.

At the Ordinary Meeting of Council held on 15 July 2008 (item T08/1001) Council resolved to endorse the proclamation of Roe Highway as requested by the Commissioner of Main Roads together with the changes of alignments of associates ramps and paths at its junction with Kwinana Freeway.

Main Roads have subsequently advised that they intend to declare Control of Access over the section of Roe Highway in the City of Melville.

DETAIL

The attached Main Roads Drawings 0360-082 and 0360-083 for Roe Highway indicate the limits of the particular area to be proclaimed Control of Access within the City of Melville.

[1002 Site Drawings.pdf](#)

[1002 Aerial View.pdf](#)

Control of Access is a formal process which provides Main Roads with the control to minimize or eliminate access from developments abutting properties to ensure the orderly planning for traffic movements and maintain the traffic capacity of the highway.

**T08/1002 - PROCLAMATION OF CONTROL OF ACCESS FOR ROE HIGHWAY –
KWINANA FREEWAY TO TONKIN HIGHWAY (REC) (ATTACHMENT)**

The east side of Fern Court (SLK 13.19) to the west side of Hollingsworth Way (SLK 14.42) is located within the City of Melville and is the only section to be considered by Council for the endorsement of the proclamation of the control of access to Roe Highway. (SLK is Standard Length Kilometres).

The remaining sections of the Roe Highway road reserve need to be endorsed by the Cities of Cockburn (SLK 13.19 – SLK 12.40) and the City of Canning (SLK 14.42 to SLK 15.05)

The subject section of Roe Highway within Melville adjoins Ken Hurst Park on the southern boundary and on its northern boundary between Hollingsworth Way and Dundee Street it is bounded by the rear property boundaries of residential lots. The remainder of the northern boundary adjoins John Connell Reserve between Dundee Street and Fern Leaf Court.

There are shared path connections to the Roe Highway shared path at both Hollingsworth Way and Dundee Street. They will not be affected by the proposed proclamation.

The City neither requires nor considers that additional access to the Roe Highway reserve would be required to the section of the highway within Melville and recommends that Council endorse the control of access proclamation.

PUBLIC CONSULTATION/COMMUNICATION

Extensive Community Consultation was undertaken by Main Roads WA prior to construction of Roe Highway Stage 7, and as this is merely a procedure to formalise operational and functional responsibility for Control of Access is considered that no further community consultation is necessary.

CONSULTATION WITH OTHER AGENCIES / CONSULTANTS

As requested, advise Main Roads WA of Council's decision.

STATUTORY AND LEGAL IMPLICATIONS

In the event that the Council does not support the changes, Section 13A (2) of the Main Roads Act makes provision for it to be objected to the Commissioner.

FINANCIAL IMPLICATIONS

Not applicable

**T08/1002 - PROCLAMATION OF CONTROL OF ACCESS FOR ROE HIGHWAY –
KWINANA FREEWAY TO TONKIN HIGHWAY (REC) (ATTACHMENT)****STRATEGIC AND RISK MANAGEMENT IMPLICATIONS**

Not applicable

POLICY IMPLICATIONS

Not applicable

ALTERNATE OPTIONS & THEIR IMPLICATIONS

Not applicable

CONCLUSION

The endorsement by the Council of the proclamation of Control of Access for Roe Highway Stage 7, within Melville is a formality to enable Main Roads to appropriately manage the function and access to Roe Highway.

The Control of Access relates to the road reserves currently controlled by Main Roads WA.

OFFICER RECOMMENDATION & COUNCIL RESOLUTION (1002)**APPROVAL**

- 1. THAT COUNCIL ENDORSE THE PROCLAMATION OF CONTROL OF ACCESS FOR ROE HIGHWAY WITHIN THE CITY OF MELVILLE THE LIMITS OF WHICH ARE SHOWN ON MAIN ROADS WESTERN AUSTRALIA PLAN NUMBERS 0360-082 AND 0360-083. BETWEEN SLK 12.40 AND SLK 14.42 (SLK MEANING STANDARD LENGTH KILOMETRES)**
- 2. THAT THE COMMISSIONER OF MAIN ROADS BE ADVISED OF COUNCILS DECISION.**
- 3. THAT THE CHIEF EXECUTIVE OFFICER BE AUTHORISED TO SIGN THE MAIN ROADS WESTERN AUSTRALIA PLAN NUMBERS 0360-082 AND 0360-083 AND THEIR DUPLICATES ON BEHALF OF THE COUNCIL AND FORWARD ONE COPY TO MAIN ROADS**

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

**CARRIED EN BLOC
WITHOUT DISSENT (12/0)**

**C08/5035 – REVISED SCHEDULE OF PLANNING FEES AND CHARGES (AMREC)
(ATTACHMENT)**

| | |
|----------------------------|---|
| Ward | : All |
| Category | : Operational |
| Subject Index | : Fees & Charges |
| 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 | : C08/5006 Annual Review Schedule Fees and Charges, Ordinary Meeting of Council held 20 May 2008 and C08/6013 Schedule of Fees and Charges Amendment to Statutory Planning Fees and Charges, Ordinary Meeting of Council held 15 July 2008 |
| Works Programme | : Not Applicable |
| Funding | : Not Applicable |
| Responsible Officer | : Jeff Clark Governance & Compliance Program Manager |

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> |

**C08/5035 – REVISED SCHEDULE OF PLANNING FEES AND CHARGES (AMREC)
(ATTACHMENT)****KEY ISSUES / SUMMARY**

- To adopt the revised Planning Fees & Charges Schedule proposed by the Western Australian Planning Commission to reduce Council's subsidy on this activity.

BACKGROUND

The Planning and Development (Local Government Planning Fees) Regulations 2000 have been amended by legislation and gazetted. Local Governments may adopt and use the new schedule of fees from 10 October 2008.

In accordance with the Local Government Act 1995, the Schedule of Fees and Charges must be incorporated as part of the annual budget or may be adopted throughout the year when local public notice is provided.

Proposed adjustments to the Fees and Charges Schedule are marked in **bold** throughout the document.

DETAIL

The amended fees are minor upward adjustments consistent with the Consumer Price Index as advised to the Western Australian Planning Commission by WA Treasury plus in some items, an increase in the percentage of fee. The total fee increase is 3.4%. Planning fees are either a fixed dollar value or a fixed base dollar value plus a percentage of the estimated development cost over the threshold figure.

The amended planning fees are not a substantial increase but do attempt to maintain parity with other costs in the community. The cost of assessing applications often outweighs the income received and these fee increases whilst not resulting in full cost recovery in many cases, it will help reduce the subsidy funded by other ratepayers and income streams.

PUBLIC CONSULTATION/COMMUNICATION

Local Public Notice is required as the adoption of the revised planning fees and charges is not performed at the budget adoption for this financial year.

CONSULTATION WITH OTHER AGENCIES / CONSULTANTS

Not applicable.

**C08/5035 – REVISED SCHEDULE OF PLANNING FEES AND CHARGES (AMREC)
(ATTACHMENT)**

STATUTORY AND LEGAL IMPLICATIONS

Local Government Act 1995:

Imposition of fees and charges

6.16 (1) *A local government may impose* and recover a fee or charge for any goods and service it provides or proposes to provide, other than a service for which a service charge is imposed.*

** Absolute Majority decision.*

FINANCIAL IMPLICATIONS

Income estimates have been included in the 2008/2009 Budget. However the increased fees are expected to provide a small amount of additional income.

STRATEGIC AND RISK MANAGEMENT IMPLICATIONS

| Risk Statement | Level of Risk | Risk Mitigation Strategy |
|---|--|---------------------------------|
| If revised Fees or Charges are not adopted and implemented the result would be a loss of income to Council. | Low Likelihood would be Almost Certain, Consequence either Insignificant if income loss <\$50k, Minor if income loss > \$50k yielding either a medium or high risk | Adopt & Implement revised fees |

POLICY IMPLICATIONS

There is no Council policy which relates to the setting of Fees and Charges.

ALTERNATE OPTIONS AND THEIR IMPLICATIONS

Not applicable.

CONCLUSION

The proposed amended fees have been provided by the Western Australian Planning Commission and are the maximum fees that Local Governments may charge. By adoption of the proposed fees, Council will reduce the extent of subsidy currently provided to the Planning Section and ensure appropriate costs are borne by applicants for planning services.

**C08/5035 – REVISED SCHEDULE OF PLANNING FEES AND CHARGES (AMREC)
(ATTACHMENT)**

**OFFICER RECOMMENDATION & COUNCIL RESOLUTION (5035)
ABSOLUTE MAJORITY APPROVAL**

At 6.48pm Cr Robartson moved, Cr Subramaniam seconded -

**THAT BY ABSOLUTE MAJORITY DECISION OF THE COUNCIL THE PROPOSED
AMENDED PLANNING FEES & CHARGES SCHEDULE AS DOCUMENTED IN THE
ATTACHMENT BE ADOPTED AND APPLY FROM 19 NOVEMBER 2008.**

[5035 Fees and Charges.pdf](#)

At 6.48pm the Mayor submitted the motion, which was declared

CARRIED BY ABSOLUTE MAJORITY (12/0)

C08/5036 – EXPRESSION OF INTEREST PURCHASE OR GROUND LEASE PART LOT 300 (10) ARCHIBALD STREET, WILLAGEE FORMER CARAWATHA PRIMARY SCHOOL SITE(REC) (CONFIDENTIAL ATTACHMENT)

Ward : All
 Category : Operational
 Subject Index : Expression of Interest
 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 : Nil
 Works Programme : Not Applicable
 Funding : Not Applicable
 Responsible Officer : Bruce Taylor
 Manager Information, Technology and Support

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> |

KEY ISSUES / SUMMARY

- This report considers the Expressions of Interest received from developers interested in leasing or purchasing the former Carawatha Primary School Site being, Part Lot 300 (10) Archibald Street ,Willagee.
- The recommendation contained in this report supports the advertising of a Business Plan advising that the Council intends to sell part of the property by open public tenders
- The Business Plan will need to be advertised with public comment and submissions to be considered by the Council.

CO8/5036 – EXPRESSION OF INTEREST PURCHASE OR GROUND LEASE PART LOT 300 (10) ARCHIBALD STREET WILLAGEE FORMER CARAWATHA PRIMARY SCHOOL SITE (REC) (CONFIDENTIAL ATTACHMENT)

BACKGROUND

The expression of interest for Purchase or Ground Lease Part Lot 300 (10) Archibald Street Willagee Former Carawatha Primary School Site was advertised in the West Australian Newspaper on the 30 July 2008 with submissions closing on Friday 19 September 2008.

The City of Melville has sought Expressions of Interest prior to advertising a Major Land Transaction Business Plan and if required, a Major Trading Undertaking Business Plan prior to calling public tenders. The expressions of interest were called to assist the City of Melville determine the level of interest in the site, the type and style of developments and land use demands for the site and establish the most suitable means to dispose of the property.

The City of Melville owns the land to be disposed of in freehold title and is legally described as being part of Lot 300 on Deposited Plan 48936 as contained in Certificate of Title Volume 2607 Folio 498.

The proposed subdivision is located within the established suburb of Willagee situated 13 kilometres south west of the Perth Central Business District and accessed via Leach Highway and North Lake Road. More specifically the subject property is situated in the western alignment of North Lake Road bound by Archibald Street in the South, Stacey Street in the west and “Braemar Village” in the north. Surrounding development comprises a mixture low density strata development. A full complement of community facilities including Winnacott Reserve, Murdoch University and North Lake Shopping Centre are provided with the surroundings of Willagee.

The City of Melville has called for Expressions of Interest from suitably qualified and experienced developers to provide innovative development concepts which include mixed use development. Offers to purchase or lease all or part of the site were considered. The preferred method of disposal was by way of long term ground lease of the site and the evaluation criterion was slightly weighted toward this outcome. Developers were advised that it would not be permitted to place a mortgage over the City of Melville’s land interest or to sub lease the land interest.

Intentions for zoning and development were indicated as follows:

- The City intends to excise 1.64 hectares of the land for reservation as public open space. This will be subject to actions by the Council to amend its Community Planning Scheme.

CO8/5036 – EXPRESSION OF INTEREST PURCHASE OR GROUND LEASE PART LOT 300 (10) ARCHIBALD STREET WILLAGEE FORMER CARAWATHA PRIMARY SCHOOL SITE (REC) (CONFIDENTIAL ATTACHMENT)

- The City intends to zone the balance of the site (approximately 2.2 hectares to Mixed Use with a R40/60 residential density code. The R40 density Code will be the base code with R60 density code being applicable only for Aged Persons Accommodation or Retirement Village.
- Open Air Display and Hotel/Tavern Uses will be excluded uses within the zone.
- The Design Guidelines and Outline Development Plan described the land uses that may be considered within the Community Centre zone (CCR) under Community Planning Scheme 5 (CPS 5). A statement of intent for this CCR was also included in the ODP.
- The disposal was to be strictly on commercial terms.

Proposals could include any of the following either separately or combined –

- A simple ground lease of whole or part of site,
- Offer to purchase whole or part of site. (Should a developer submit proposals to purchase whole or part of the site the option was provided for the developer to include in their offer the opportunity for the City of Melville to become an equity partner and share in the development profit).
- A combination of a purchase and ground lease arrangement
- A base ground lease and additional lease based on the gross rental received from the development,

Price Schedule

The Price Schedule was distributed to the Evaluation Panel on Monday 6 October 2008 and forms part of the Confidential Attachments, which was distributed to Elected Members on Friday 7 November 2008.

Tender Evaluation Process

All expressions of interest were evaluated using a weighted attribute method. Each tender was assigned a score which was totalled to give a final score. The tenderer and proposal that achieved the highest score across all the attributes has been recommended.

The Evaluation Sheet was distributed to the members of the evaluation panel on Monday 6 October 2008 and forms part of the Confidential Attachments, which was distributed to Elected Members on Friday 7 November 2008.

The Evaluation Committee consisted of the Acting Purchasing Coordinator, the Director of Customer & Corporate Services, the Director Strategic Urban Planning, the Manager Strategic Planning, the Manager Financial Services, the Legal and Compliance Manager, the Manager Information, Technology and Support.

CO8/5036 – EXPRESSION OF INTEREST PURCHASE OR GROUND LEASE PART LOT 300 (10) ARCHIBALD STREET WILLAGEE FORMER CARAWATHA PRIMARY SCHOOL SITE (REC) (CONFIDENTIAL ATTACHMENT)

The criteria for this expression of interest were based on the following specific attributes:

1. Site Use/Social Amenity/Environmental Benefits
2. Ground Lease
3. Purchase Site
4. Joint Venture Arrangement

5. Capacity to Deliver (Business Management, Project Management, Lease Management, Financial Capacity)

DETAIL

Twenty-two sets of tender documents were issued and 6 expressions of interest documents were received as follows:

- Saville & Realcom Group Project Management (Joint submission)
- Finbar Group
- Diploma Properties Pty Limited
- Anthony John Aveling, June Margaret Aveling, Tumasek Nominees Pty Ltd, as trustee for the Aveling Family Trust & Tony Aveling & Associates Pty Ltd T/As Aveling
- Australian Property Alliance
- Braemar Presbyterian

Saville & Realcom provided a joint submission with Saville indicated as providing project funding and marketing and Realcom providing the project management. Their proposal was for outright purchase with land use consisting of a low density commercial area, high density seniors accommodation and 28 single residential lots with retention of 1.6ha of public open space in accordance with the location indicated by the City.

The submission was concise and clearly indicated the land development proposed by these two companies. A request for Profit and Loss Statements and latest financial returns was requested in the expression of interest, however these were not supplied. They scored highest due to the price offered and the option providing no risk to the City.

Diploma Properties provided two options in their submission one based on outright sale subject to valuations and a joint venture agreement with the City. The development proposed would consist of 3,000sqm of commercial area, with 20 residential lots. They appear to have relevant experience and the submission was informative. The joint venture option did not score as highly as the outright purchase as this option was seen to increase the risk to the City. Diploma scored second highest.

CO8/5036 – EXPRESSION OF INTEREST PURCHASE OR GROUND LEASE PART LOT 300 (10) ARCHIBALD STREET WILLAGEE FORMER CARAWATHA PRIMARY SCHOOL SITE (REC) (CONFIDENTIAL ATTACHMENT)

Australian Property Alliance proposal was for outright purchase at market valuation and also a joint venture option. They have experience in housing development and have indicated the proposed development would consist of residential dwellings only. The joint venture did not score highly as was seen to pose a risk to the City. The submission was informative, however the exact density of the proposed residential units was not indicated. Australian Property Alliance scored third.

Finbar's submission was for outright sale and joint venture. The joint venture proposal however was rejected by the evaluation panel as this proposal was subject to the land being encumbered. The outright sale purchase price was not subject to valuation and appeared to be fair. The proposed development consisted of three different residential uses consisting of a total of 72 lots, which would conform to the R40 density code. The submission showed relevant experience and financial capacity. Finbar scored fourth.

Aveling's submission proposed outright purchase of the site proposing a figure not subject to valuation. The submission was concise and indicated financial capacity within the company. The intended use of the site was for a Learning Facility and did not score as highly as the other submissions. This submission achieved the lowest score.

Braemar submission was non compliant and was a request to ground lease only part of the site (5,000sqm) and was therefore not evaluated.

It is the opinion of the evaluation panel that the option of outright sale is the most advantageous to the City. Joint venture proposals whilst indicating potential profits that could exceed the outright sale of the site do contain potential risks and were therefore deemed not acceptable. The recommendation is to proceed to open public tender for the outright sale of the site after a business plan has been developed and advertised. It is the opinion of the panel that this may also result in additional submissions to those received for the expression of interest.

PUBLIC CONSULTATION/COMMUNICATION

Media releases have been published outlining the intention to dispose of the area of land that is surplus to public open space requirements.

CONSULTATION WITH OTHER AGENCIES / CONSULTANTS

A Licensed Valuer/Property Consultant was appointed to provide a synopsis of the local Willagee property market and in particular provide comment on the likely Gross Realisations that may be derived from six different subdivision scenarios that we provided. The conclusion presented by the consultant was that the net realisation from the scenario with the highest return would still yield the same return as the land valuation.

CO8/5036 – EXPRESSION OF INTEREST PURCHASE OR GROUND LEASE PART LOT 300 (10) ARCHIBALD STREET WILLAGEE FORMER CARAWATHA PRIMARY SCHOOL SITE (REC) (CONFIDENTIAL ATTACHMENT)

STATUTORY AND LEGAL IMPLICATIONS

Section 3.57 of the Local Government Act states “A Local Government is required to invite tenders before it enters into a contract of a prescribed kind under which another person is to supply goods or services”.

Section 3.59(2) of the Local Government Act - Commercial enterprises by local governments - states that before a local government enters into a major land transaction it is to prepare a business plan.

The Act states that “The business plan is to include an overall assessment of the major trading undertaking or major land transaction and is to include details of —

- (a) its expected effect on the provision of facilities and services by the local government;
 - (b) its expected effect on other persons providing facilities and services in the district;
 - (c) its expected financial effect on the local government;
 - (d) its expected effect on matters referred to in the local government’s current plan prepared under section 5.56;
 - (e) the ability of the local government to manage the undertaking or the performance of the transaction; and
 - (f) any other matter prescribed for the purposes of this subsection.
- (4) The local government is to —
- (a) give Statewide public notice stating that —
 - (i) the local government proposes to commence the major trading undertaking or enter into the major land transaction described in the notice or into a land transaction that is preparatory to that major land transaction;
 - (ii) a copy of the business plan may be inspected or obtained at any place specified in the notice; and
 - (iii) submissions about the proposed undertaking or transaction may be made to the local government before a day to be specified in the notice, being a day that is not less than 6 weeks after the notice is given;
- and
- (b) make a copy of the business plan available for public inspection in accordance with the notice.

CO8/5036 – EXPRESSION OF INTEREST PURCHASE OR GROUND LEASE PART LOT 300 (10) ARCHIBALD STREET WILLAGEE FORMER CARAWATHA PRIMARY SCHOOL SITE (REC) (CONFIDENTIAL ATTACHMENT)

- (5) After the last day for submissions, the local government is to consider any submissions made and may decide* to proceed with the undertaking or transaction as proposed or so that it is not significantly different from what was proposed.

** Absolute majority required.*

- (5a) A notice under subsection (4) is also to be published and exhibited as if it were a local public notice.
- (6) If the local government wishes to commence an undertaking or transaction that is significantly different from what was proposed it can only do so after it has complied with this section in respect of its new proposal.

FINANCIAL IMPLICATIONS

No current market valuation has been obtained as part of this process. The site was purchased from the Department of Education in 2006 for an amount of \$5,187,500.00 inclusive of GST. The total area of the site purchased was 3.84 hectares which would mean that the 2.2 hectares identified for disposal was originally valued at purchase at \$2,972,000.

The joint venture proposals were considered however they all offered a base purchase price significantly lower than the best outright purchase offers. The return from a profit share arrangement would take longer to realise, is not guaranteed, would significantly increase the risk profile for the project and may not even be realised in the longer term.

Disposal of the site by outright sale is considered to be the most advantageous option with minimal risk and is expected to provide a significant return on the original land purchase.

STRATEGIC AND RISK MANAGEMENT IMPLICATIONS

This site is considered to be a strategic land holding. Part of the site will be retained for the purpose of public open space with this remaining 2.2 hectares being identified as a means of realising a return on the asset.

The public open space requirement for this area will be fully satisfied by retaining the 1.64 hectares of land and the sale of part of the site would provide a commercial return to the City of Melville that would then be used to purchase commercial land that would be used to generate an income stream so that the Council is not completely dependant on rate revenue.

CO8/5036 – EXPRESSION OF INTEREST PURCHASE OR GROUND LEASE PART LOT 300 (10) ARCHIBALD STREET WILLAGEE FORMER CARAWATHA PRIMARY SCHOOL SITE (REC) (CONFIDENTIAL ATTACHMENT)**POLICY IMPLICATIONS**

Procurement of Goods and Services Through Direct Purchasing and Public Tendering Policy 13-PL-005.

ALTERNATE OPTIONS AND THEIR IMPLICATIONS

Alternate options to outright sale of the land include entering into a long term ground lease, which was not supported by any of the expressions of interest. Joint venture proposals were considered to be complicated by nature, have a high risk profile and a longer resolution time. As an alternative to disposing of the site by tender it could be placed on the open market and sold by private treaty at a determined value or be sold by auction.

The City could develop the land itself however appropriate expertise and financial resources would need to be provided and this would be considered to be a high risk venture for a local government to undertake.

Alternatively the Council may decide to retain the land and not dispose of it, however an inequity would remain in that Willagee would have an over supply of public open space, there would be costs for holding the land and opportunity costs for other ventures that could not be undertaken.

CONCLUSION

It is recommended that a Business Plan to dispose of the property by outright sale, be prepared and advertised. Submissions and public comment on the Business Plan will then need to be considered by the Council prior to making a final decision to dispose of the site by public tender. A land valuation will need to be obtained prior to the tender being advertised.

OFFICER RECOMMENDATION & COUNCIL RESOLUTION (5036)**APPROVAL**

THAT A BUSINESS PLAN TO DISPOSE OF PART (2.2 HECTARES) OF THE SITE LOCATED AT LOT 300 (10) ARCHIBALD STREET WILLAGEE FORMER CARAWATHA PRIMARY SCHOOL SITE, BY OUTRIGHT SALE BE PREPARED AND ADVERTISED FOR PUBLIC COMMENT IN ACCORDANCE WITH THE LOCAL GOVERNMENT ACT.

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

**CARRIED EN BLOC
WITHOUT DISSENT (12/0)**

C08/5037 – REPORT ON REVIEW OF WARD BOUNDARIES AND ELECTED MEMBER REPRESENTATION (AMREC)

| | | |
|----------------------------|---|---|
| Ward | : | All |
| Category | : | Operational |
| Subject Index | : | Code of Conduct |
| 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 | : | C08/5021 – Review of Ward Boundaries and Elected Member Representation – Ordinary Meeting of Council held 24 September 2008 |
| Works Programme | : | Not applicable |
| Funding | : | Not applicable |
| Responsible Officer | : | Bruce Taylor Manager Information & Corporate Support |

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 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 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> |

KEY ISSUES / SUMMARY

To conduct a review of the number of wards and representation for the City of Melville in accordance with and as required under schedule 2.2 of the Local Government Act 1995.

C08/5037 – REPORT ON REVIEW OF WARD BOUNDARIES AND ELECTED MEMBER REPRESENTATION (AMREC)**BACKGROUND**

Under schedule 2.2 of the *Local Government Act 1995* local governments with wards are required to carry out a review of the ward boundaries and the number of Councillors for each ward (representation) from time to time so that no more than eight years elapse between successive reviews.

The City by delegation to the CEO (Delegation No 14-DA-010) initiated a review of the ward boundaries and representation. On 24 September 2008, Council resolved to endorse this action. The City of Melville advertised its review of wards and representation on 23 September 2008 and again on 14 October 2008 for a six week period. Public submissions closed on 5 November 2008. A discussion paper was made available to all members of the public on the commencement of the advertising period. (A copy of the discussion paper is attached to this report) [5037 Discussion Paper.pdf](#)

The City received four submissions.

Review Process and Recommendation

As the public submission period has closed, the City is to consider the submissions received and the options put forward and make a report in writing to the Advisory Board proposing (by absolute majority) the making of any order under section 2.2(1) (Creating new wards, changing boundaries etc), s. 2.3(3) (Names of districts and wards) or s. 2.18(3) (Fixing and changing the number of councillors). (Schedule 2.2 clause 9)

s. 2.2. Districts may be divided into wards –

(1) The Governor, on the recommendation of the Minister, may make an order —

(c) changing the boundaries of a ward;

(4) The Minister can only make a recommendation under subsection (1) if the Advisory Board has recommended under Schedule 2.2 that the order in question should be made.

s. 2.3. Names of districts and wards –

(3) If a local government proposes under Schedule 2.2 that an order be made changing the name of the district or a ward, the Minister may recommend to the Governor that the order be made, and the Governor may make the order accordingly.

(4) The Minister can only make a recommendation under subsection (3) if the Advisory Board has recommended under Schedule 2.2 that the order in question should be made.

C08/5037 – REPORT ON REVIEW OF WARD BOUNDARIES AND ELECTED MEMBER REPRESENTATION (AMREC)

s. 2.18. Fixing and changing the number of councillors

- (2) When an order is made under section 2.2 discontinuing a ward system for a district, the number of offices of councillor on the council remains unchanged unless the order specifies otherwise.
- (3) The Governor, on the recommendation of the Minister, may make an order —
- (a) changing the number of offices of councillor on a council;
 - (b) specifying or changing the number of offices of councillor for a ward; or
 - (c) as to a combination of those matters.
- (4) The Minister can only make a recommendation under subsection (1) or (3) if the Advisory Board has recommended under Schedule 2.2 that the order in question should be made.

If the City submits a report to the Board by 31 December 2008, any changes that are approved by the Minister will likely be implemented in time for the 2009 local government elections.

DETAIL

1. Present Situation

The City of Melville currently has twelve (12) Councillors, with two (2) Councillors per each of the six wards. In addition to the Councillors, the Mayor is popularly elected by all electors of the City. There are approximately 67,006 electors in the district.

The number of electors per ward is as follows –

**Table 1 – Current Situation
WARDS AND REPRESENTATION**

| Ward | Number of Electors | Number of Councillors | Councillor: Elector Ratio | % Ratio Deviation |
|---------------------------|---------------------------|------------------------------|----------------------------------|--------------------------|
| Applecross–Mt Pleasant | 10,542 | 2 | 1 : 5,271 | 5.61% |
| Bicton-Attadale | 10,342 | 2 | 1 : 5,171 | 7.39% |
| Bull Creek – Leeming | 11,930 | 2 | 1 : 5,965 | -6.82% |
| City | 10,511 | 2 | 1 : 5,256 | 5.87% |
| Palmyra-Melville-Willagee | 11,360 | 2 | 1 : 5,680 | -1.72% |
| University | 12,321 | 2 | 1 : 6,161 | -10.33% |
| Total | 67,006 | 12 | 1 : 5,584 Average | |

C08/5037 – REPORT ON REVIEW OF WARD BOUNDARIES AND ELECTED MEMBER REPRESENTATION (AMREC)

The percentage ratio deviation gives a clear indication of the percentage difference between the average Councillor/elector ratio for the whole local government and the Councillor/elector ratio for each ward. The percentage ratio deviation is negative for those wards that have more electors than the average. In these wards the electors are under represented and therefore a negative percentage is shown in the table.

It can be seen that there is an imbalance in representation across the City with the University and Bull Creek-Leeming Wards being under represented and the Bicton-Attadale, City and Applecross-Mt Pleasant Wards being over represented. The Palmyra-Melville-Willagee Ward is the only ward that is almost in parity with the average Councillor to Elector ratio.

The Minister for Local Government has indicated that changes to ward boundaries and representation that result in ward Councillor/elector ratios that are greater than plus or minus 10% of the average Councillor/elector ratio for that local government will not be considered.

With the exception of the University Ward there is a slight imbalance between representation levels across the wards in the district. Indeed, the variation between five of the wards lies within the accepted 10% variation. Even the variation in the University Ward is only slightly higher than the acceptable level. However, given the likelihood of population growth in this area and also possibly in the Bull Creek-Leeming Ward, the City will need to address the imbalance.

There are also anomalies with the current ward boundaries between the Bicton-Attadale Ward and the Applecross-Mt Pleasant Ward and the Applecross-Mt Pleasant Ward and the City Ward. There is some confusion as to the appropriateness of some of the ward boundaries as these do not follow major topographic features or suburb boundaries, leaving affected residents unsure as to which ward they are in and the basis upon which the decision was made.

2. Summary of Public Submissions

A local government is to consider the submissions received. (Schedule 2.2 clause 7) The City has received four public submissions in respect to the review. Please see attached [5037 Public Submissions.pdf](#)

2.1 The first submission was from a resident of Bull Creek who preferred a system of representation where one councillor represented each ward. Therefore, the number of existing wards would double under this proposal to twelve. One of the advantages of this proposal is that there would be a higher level of representation for electors, and smaller wards for each Councillor. If this proposal was not acceptable, the resident supported Option 2 that required minor amendment to the ward boundaries in order to come within the acceptable range of Councillor/Elector ratio.

C08/5037 – REPORT ON REVIEW OF WARD BOUNDARIES AND ELECTED MEMBER REPRESENTATION (AMREC)

Comment on submission

The proposal to double the number of wards has an implication that ward boundary reviews may be required more frequently to maintain the maximum 10% variance between electors in wards. The second choice of Option 2 will be considered by Council.

2.2 A submission was received as follows –

- Requests that the current ward boundaries and ward names be retained with one amendment being the realignment of the Applecross/Alfred Cove boundary to follow Dunkley Avenue;
- The percentage based reasoning that the State Government has applied for the review of ward boundaries is contradictory as the alternative to abolish all wards might lead to a ‘worse case scenario’ eventuating whereby there is a possibility that all Councillors might be elected from one street or suburb, thereby not having a fundamental knowledge nor interest in the City as a whole, with the subsequence of this action being poor application of decision-making;
- The changing of names of the wards which are traditional may create confusion and cause residents to be disenfranchised from the City of Melville; and
- The ward boundary alternative of including part of Palmyra (Melville) in the Bicton-Attadale Ward would also create confusion.

Comment on submission

Noted. The boundary remain unchanged until the next review of Ward Boundaries. The next review is expected to be undertaken after a District Boundary review. If the Officer Recommendation as presented is supported the next review will be undertaken to consider including all of the suburb of Leeming in the City of Melville.

The current names of the wards do not entirely reflect the suburb localities and an amendment may need to be considered in the future especially if the ward boundaries are amended across suburb boundaries.

2.3 Kardinya Residents Association – President of the Association has provided the following comments:

- Options 2 and 4 are not supported because they divide the community of Kardinya.
- Options 3 and 5 are not supported because they do not provide adequately for local representation.
- The City of Melville is expected to be affected by significant increases in the number of electors and Option 1 would cause the ratio deviation to worsen.

C08/5037 – REPORT ON REVIEW OF WARD BOUNDARIES AND ELECTED MEMBER REPRESENTATION (AMREC)

- Option 6 is the second choice to maintain the local community with four wards and three Councillors for each of the wards. This option is supported as the neighbourhoods in the wards support local communities.
- An additional preferred option is proposed in that the City be divided into 5 wards with the City Ward being divided up amongst neighbouring wards. Each ward would have 2 Councillors and larger wards, 3 Councillors. The Mayor would be directly elected by ratepayers.
- Ward names such as “University Ward” are supported as being more cohesive. Ward names linking suburb names together do not provide the same cohesiveness and sense of unique combined identity.
- We support the introduction of new names to unify other wards.

Comment on submission

Noted. The new option presented by the Association to divide the City into five wards may lead to difficulties in maintaining the maximum 10% variance between electors in wards. Dividing the City Ward between the other wards may lead to division that does not reflect suburb boundaries as the ward boundaries would not follow major topographical or natural boundaries. Community of interest would be an issue, as this part of the City is bounded by major roadways that would tend to localise the interests in this area. Dividing the ward among the neighbouring wards would increase the elector populations in each of these, except the Bicton-Attadale Ward which currently has slightly lower elector populations than the other wards. A boundary change between this ward and the neighbouring wards might also be required if changing the number of elected members did not ensure that the maximum 10% variance between electors in wards was met.

2.4 A long-time resident from Bicton has requested that a further option be considered and that is namely three super wards separated by the East/West directions of the two highways. It was requested that the matter not be dealt with until after the Meeting of Electors and if a meeting might be held with Ward Councillors and staff to discuss the relevant issues before any decision was made on the matter.

Comment on submission

The division of the City into wards following the Highways would lead to a great imbalance in representation between the wards. A remedy might be to have a different number of Councillors per ward so that the ward incorporating the suburbs of Bicton, Attadale, and Applecross would have less Councillors than the other two wards. There would be a community of interest between the River suburbs, however there may not be the same community of interest in the other wards especially the ward incorporating the suburbs of Palmyra, Melville, Booragoon, Alfred Cove, Myaree, Mt Pleasant and Brentwood.

C08/5037 – REPORT ON REVIEW OF WARD BOUNDARIES AND ELECTED MEMBER REPRESENTATION (AMREC)

The physical and topographic features would be the natural boundaries of the road network. The ward boundary would not reflect the areas of economic activity. Areas of growth would mostly be in the southern ward.

2.5 The City previously has noted the confusion caused by the fact that a small part of Applecross adjacent to Tompkins Park has been included in the Bicton-Attadale Ward. If the Council adopts Option 2 the change to the boundary between the Bicton-Attadale Ward and the Applecross-Mt Pleasant Ward would address this anomaly. This would facilitate the community of interest between these residents and those that they share a boundary with.

Comment on submission

Noted and that the boundary remain unchanged until the next review of Ward Boundaries. The next review is expected to be undertaken after a District Boundary review. If the Officer Recommendation as presented is supported the next review will be undertaken to consider including all of the suburb of Leeming in the City of Melville.

3. Assessment of Options

Before the City is able to propose that an order be made to *inter alia* change the boundaries of a ward or to create new wards, or to change the number of offices of councillor for a ward, it is to take into account where applicable the following criteria –

- (a) community of interests;
- (b) physical and topographic features;
- (c) demographic trends;
- (d) economic factors; and
- (e) the ratio of councillors to electors in the various wards. (Schedule 2.2 clause 8)

The Board offers the following interpretation of these factors –

3.1. Community of Interest

The term community of interest has a number of elements. These include a sense of community identity and belonging, similarities in the characteristics of the residents of a community and similarities in the economic activities. It can also include dependence on the shared facilities in an area as reflected in catchment areas of local schools and sporting teams, or the circulation areas of local newspapers.

Neighbourhoods, suburbs and towns are important units in the physical, historical and social infrastructure and often generate a feeling of community and belonging.

C08/5037 – REPORT ON REVIEW OF WARD BOUNDARIES AND ELECTED MEMBER REPRESENTATION (AMREC)

The Local Government Advisory Board suggests that this factor be interpreted in broad terms, such that all these elements may be relevant. A submission to the Board shall ideally specify the basis used for establishing and identifying the communities of interest which have been recognised in a proposal.

3.2. Physical and Topographic Features

Physical and topographic features may include both natural and man-made features. Water features such as rivers and catchment boundaries may be a relevant consideration in establishing boundary alignments. For example, it maybe appropriate for a local government to consider the relevance of beach suburbs, coastal plan and foothills regions within the locality. The location of parks and reserves may be relevant, or other man-made features such as railway lines or freeways. The particular physical and topographic features, which may need to be considered, will vary from area to area. Canning Highway, Leach Highway, South Street, the Kwinana Freeway, and the river should all be considered as major physical and topographical features that may affect ward boundary locations.

Physical features that could be considered significant include Riseley Street, Murdoch Drive, North Lake Road, Stock Road, Somerville Boulevard and Marmion Street.

Features such as Piney Lakes Reserve, Wireless Hill Park, Blue Gum Lake, Point Walter, the Civic Centre, Garden City and other commercial precincts, industrial areas, Murdoch University, St John of God Hospital and schools might also be considered.

3.3. Demographic trends

Several measurements of the characteristics of human populations, such as population size, and its distribution by age, sex, occupation and location provide important demographic information. Current and projected population characteristics will be relevant as well as similarities and differences between areas within the local government.

3.4. Economic factors

Economic factors can be broadly interpreted to include any factor that reflects the character of economic activities and resources in the area. This may include the industries that occur in a local government area (or the release of land for these) and the distribution of community assets and infrastructure such as road networks.

3.5. Ratio of Councillors to Electors in the various wards

It is expected that each local government will have similar ratios of electors to Councillors across the wards of its district.

C08/5037 – REPORT ON REVIEW OF WARD BOUNDARIES AND ELECTED MEMBER REPRESENTATION (AMREC)

The Local Government Advisory Board believes that as far as practicable the principle of ‘one vote, one value’ should be applied. Variations from this principle will only be approved where a sufficient case is demonstrated for the variation, based on the other prescribed factors, such as community of interests, economic or demographic factors. A calculation showing changes in the ratios due to population growth, if applicable, would also be desirable.

The current situation is as follows -

**Table 1 – Current Situation
WARDS AND REPRESENTATION**

| Ward | Number of Electors | Number of Councillors | Councillor: Elector Ratio | % Ratio Deviation |
|---------------------------|--------------------|-----------------------|------------------------------|-------------------|
| Applecross–Mt Pleasant | 10,542 | 2 | 1 : 5,271 | 5.61% |
| Bicton-Attadale | 10,342 | 2 | 1 : 5,171 | 7.39% |
| Bull Creek – Leeming | 11,930 | 2 | 1 : 5,965 | -6.82% |
| City | 10,511 | 2 | 1 : 5,256 | 5.87% |
| Palmyra-Melville-Willagee | 11,360 | 2 | 1 : 5,680 | -1.72% |
| University | 12,321 | 2 | 1 : 6,161 | -10.33% |
| Total | 67,006 | 12 | 1 : 5,584 Average | |

The percentage ratio deviation provides a clear indication of the percentage difference between the average Councillor/elector ratio for the whole local government and the Councillor/elector ratio for each ward. It is evident that there is an imbalance in representation across the City with the University ward being over represented. A balanced representation would be reflected in the percentage ratio deviation within 10%.

Option 1 – Current system

The following is an assessment of the current situation against the factors.

Community of interest

The ward boundaries tend to reflect suburb boundaries, however there are some anomalies as between the Bicton-Attadale Ward and the Applecross-Mt Pleasant Ward.

Physical and topographic features

Ward boundaries reflect suburb boundaries, although these do not necessarily reflect major physical or topographic features eg the boundary of the City Ward and the Applecross-Mt Pleasant Ward.

C08/5037 – REPORT ON REVIEW OF WARD BOUNDARIES AND ELECTED MEMBER REPRESENTATION (AMREC)

Demographic trends

The ward boundaries do not reflect the current demographic trends with the University Ward likely to have greater population growth than the other wards due to future developments around the University and the proposed hospital development.

Economic factors

Ward boundaries do not reflect economic activities.

Ratio of councillors to electors

The current situation is as follows –

**Table 1 – Current Situation
WARDS AND REPRESENTATION**

| Ward | Number of Electors | Number of Councillors | Councillor: Elector Ratio | % Ratio Deviation |
|---------------------------|--------------------|-----------------------|------------------------------|-------------------|
| Applecross–Mt Pleasant | 10,542 | 2 | 1 : 5,271 | 5.61% |
| Bicton-Attadale | 10,342 | 2 | 1 : 5,171 | 7.39% |
| Bull Creek – Leeming | 11,930 | 2 | 1 : 5,965 | -6.82% |
| City | 10,511 | 2 | 1 : 5,256 | 5.87% |
| Palmyra-Melville-Willagee | 11,360 | 2 | 1 : 5,680 | -1.72% |
| University | 12,321 | 2 | 1 : 6,161 | -10.33% |
| Total | 67,006 | 12 | 1 : 5,584 Average | |

As noted previously, there is an imbalance in the University Ward compared to the other wards.

Given the size of the population in each ward there is no opportunity to reduce or increase the number of Councillors without changing the ward boundaries. The population differences between each ward is not great enough to deal with the deviation in this way. An amendment at the very least may be required in order to satisfy the requirement of parity between the wards in terms of the ratio of Councillors to electors.

C08/5037 – REPORT ON REVIEW OF WARD BOUNDARIES AND ELECTED MEMBER REPRESENTATION (AMREC)

If Council was to argue that the current ward system be retained for the October 2009 election then Council would need to provide a salient argument for this retention. The imbalance in the University Ward is admittedly slight and perhaps argument may be made that a change in the ward boundaries is not necessarily required at this point in time given the proposed developments and projected population figures for the University, Palmyra-Melville-Willagee and Bull Creek-Leeming Wards. These proposed developments due to occur in the next two years will cause further imbalance in the Councillor/elector ratios in each of these wards.

A second argument is the ongoing district boundary changes with the City of Canning and City of Cockburn over the suburb of Leeming and the extension of the City's district boundary to Roe Highway. These two issues will have significant impact on the City and its ward distribution necessitating a further ward review in the next two years. An option may be that the City make an undertaking to the Local Government Advisory Board requesting that on the condition the City undertake a review of its district boundary during 2009 and on notification of the outcome of that review, the City immediately undertake a review of its wards and representation. The disadvantage of this is that there will be an imbalance in the wards at the 2009 local government election, albeit a small variation.

Option 2 – Minor Amendment maintaining six wards

The following is an assessment of this option against the factors.

This option allows for the City to maintain the present system by making minor boundary changes between the wards. It would require the ceding of area between the University and Palmyra-Melville-Willagee Wards, the Bicton-Attadale and the Palmyra-Melville-Willagee Wards, and the Bicton-Attadale and Applecross-Mt Pleasant Wards. The current number of Councillors remains the same. It would address the imbalance in the Councillor to Elector ratio, as well as the ward boundary anomaly between the Bicton-Attadale Ward and the Applecross-Mt Pleasant Ward. It is however, not a long term solution as the University Ward, the Palmyra-Melville-Willagee Ward, and the Bull Creek-Leeming Ward all have projected residential developments that will increase the number of electors in each of these wards.

Community of interest

This option generally maintains the community of interest between the wards, however the artificial boundary realignment along Le Seouf Drive would mean that part of Kardinya would be ceded to the Palmyra-Melville-Willagee Ward. Further, the amendment between the Bicton-Attadale Ward and the Palmyra-Melville-Willagee Ward along Kitchener Road would also affect the community of interest in the area. The amendment of the boundary between the Bicton-Attadale Ward and the Applecross-Mt Pleasant Ward along Norma Road and Dunkley Avenue would be acceptable as the current boundary has caused some confusion in the past.

C08/5037 – REPORT ON REVIEW OF WARD BOUNDARIES AND ELECTED MEMBER REPRESENTATION (AMREC)

Demographic trends

The proposed amendment would address the current imbalance in the wards however, it would not be a long-term measure as the future development in the University Ward and the possible district boundary amendment to incorporate the suburb of Leeming if successful, within the City of Melville, would lead to the necessity for a further review in the future.

Physical and topographic features

The amendment of the ward boundary between Palmyra-Melville-Willagee ward and the University ward along Le Seouf Drive does not provide a natural physical or topographic boundary. It would be more appropriate to amend the boundary at South Street however, the number of electors would then be too great in the Palmyra-Melville-Willagee ward that would then necessitate a boundary amendment for that ward with either the Bicton-Attadale ward or the City ward, neither along physical or topographic boundaries.

Economic factors

Ward boundaries do not reflect economic activities.

Ratio of councillors to electors

The ratio of Councillors to electors would come within the acceptable ratio of 10%.

**Table 2 – Option 2
WARDS AND REPRESENTATION**

| Ward | Number of Electors | Number of Councillors | Councillor: Elector Ratio | % Ratio Deviation |
|---------------------------|---------------------------|------------------------------|----------------------------------|--------------------------|
| Applecross–Mt Pleasant | 10,737 | 2 | 1 : 5,368 | 3.86% |
| Bicton-Attadale | 10,997 | 2 | 1 : 5,498 | 1.53% |
| Bull Creek – Leeming | 11,930 | 2 | 1 : 5,965 | -6.82% |
| City | 10,511 | 2 | 1 : 5,255 | 5.89% |
| Palmyra-Melville-Willagee | 11,150 | 2 | 1 : 5,575 | 0.16% |
| University | 11,681 | 2 | 1 : 5,840 | -4.59% |
| Total | 67,006 | 12 | 1 : 5,584 Average | |

C08/5037 – REPORT ON REVIEW OF WARD BOUNDARIES AND ELECTED MEMBER REPRESENTATION (AMREC)

Option 3 - Divide the district into two wards

The following is an assessment of this option against the factors.

The boundary between the two wards would be North Lake Road to Leach Highway, Leach Highway to Murdoch Drive, Murdoch Drive to South Street, South Street to Kwinana Freeway. There would be approximately 33,600 electors per ward with six (6) Councillors per ward (based on the current level of representation).

Community of interest

This would be an issue as the wards would be vast and issues affecting residents in the river suburbs would not necessarily be of concern to those residents living closer to Leach Highway or South Street thereby not capturing true communities of interest. The highways do provide physical features that create particular communities of interest and prevent others from forming.

Physical and topographic features

The boundary between the two wards would be along the major road network.

Demographic trends

The two wards each have areas of growth and development that may offset one another and have a similar balance of populations.

Economic factors

Ward boundaries do not reflect economic activities.

Ratio of councillors to electors

This option would result in balanced representation within the district.

There would also need to be a spill of Elected Members. This would mean that all Councillors would be up for election at the next election or the new ward system might be phased in and that a complete spill would occur at the 2011 election rather than at the 2009 election.

C08/5037 – REPORT ON REVIEW OF WARD BOUNDARIES AND ELECTED MEMBER REPRESENTATION (AMREC)

**Table 3 – Option 3
WARDS AND REPRESENTATION**

| Ward | Number of Electors | Number of Councillors | Councillor: Elector Ratio | % Ratio Deviation |
|---|--------------------|-----------------------|---------------------------|-------------------|
| 1 Would include parts of Applecross– Mt Pleasant, City, and Bull Creek – Leeming | 33,274 | 6 | 1 : 5,545 | 0.68% |
| 2 Would include parts of Bicton-Attadale, Palmyra-Melville-Willagee, and University | 33,732 | 6 | 1 : 5,622 | -0.68% |
| Total | 67,006 | 12 | 1 : 5,584 Average | |

Option 4 - Divide the district into 3 wards

The following is an assessment of this option against the factors.

There would be approximately 20,000 – 23,000 residents in each ward and four Councillors (based on the current level of representation) representing each ward. The delineation of the wards should correspond to major topographical features such as North Lake Road and Leach Highway. Some deviation from major road networks may need to be considered to ensure that there would not be a greater than 10% variation in the Councillor to Elector ratio.

Problems might arise in the way the wards have been created. The community of interest aspect may not be satisfied as some wards are bisected by major topographical features such as Canning Highway and Leach Highway.

Community of interest

The wards tend to follow communities of interest, however the Western Ward given its size may result in a disparity of interests. It includes the area of Bicton-Attadale, Palmyra-Melville-Willagee and Kardinya. As with option 3 above the major highways provide concise boundaries to communities of interest that tend generally not to flow over into other areas.

C08/5037 – REPORT ON REVIEW OF WARD BOUNDARIES AND ELECTED MEMBER REPRESENTATION (AMREC)

Physical and topographic features

The boundary between the wards would be along major physical and topographic features, following the road network where possible.

Demographic trends

The disadvantage of the option is that the areas of highest potential growth are located in one ward and a disparity between the wards may quickly occur that might necessitate another review earlier than the statutory eight years.

Economic factors

Ward boundaries do not reflect economic activities.

Ratio of councillors to electors

This option would result in balanced representation within the district.

There would also need to be a spill of Elected Members. This would mean that all Councillors would be up for election at the next election or the new ward system might be phased in and that a complete spill would occur at the 2011 election rather than at the 2009 election.

**Table 4 – Option 4
WARDS AND REPRESENTATION**

| Ward | Number of Electors | Number of Councillors | Councillor: Elector Ratio | % Ratio Deviation |
|---|--------------------|-----------------------|------------------------------|-------------------|
| 1 Applecross–Mt Pleasant/ City | 20,615 | 4 | 1 : 5,153.75 | 7.70% |
| 2 Bicton-Attadale/ Palmyra-Melville-Willagee | 23,289 | 4 | 1 : 5,822.25 | -4.26% |
| 3 Bull Creek – Leeming/ University | 23,102 | 4 | 1 : 5,775.5 | -3.4% |
| Total | 67,006 | 12 | 1 : 5,584 Average | |

C08/5037 – REPORT ON REVIEW OF WARD BOUNDARIES AND ELECTED MEMBER REPRESENTATION (AMREC)

Option 5 – No Wards

The following is an assessment of this option against the factors.

The electorate would vote for all Councillors chosen from across the entire local government area. There is no requirement under the *Local Government Act 1995* to have wards.

Community of interest

Communities of interest are not reflected by the local government boundary.

Physical and topographic features

The district boundary does not follow any physical or topographic features.

Demographic trends

The growth area is in the University Ward of the City and the other areas in the Northern part of the City are experiencing relatively stable populations. The district boundary does not reflect these trends.

Economic factors

The district boundary does not reflect the areas of economic activity.

Ratio of councillors to electors

The option results in balanced representation across the City.

The advantages of the option may include –

- Elected members are elected by the whole district and not just a section of it;
- Knowledge and interest in all areas of the Council's affairs would result in broadening the views of elected members beyond the immediate concerns of those in a ward;
- No requirement to review ward boundaries;
- Members of the community who want to approach an elected member can speak to any elected member; and
- The election process is much simpler for the community to understand and for the Council to administer.

C08/5037 – REPORT ON REVIEW OF WARD BOUNDARIES AND ELECTED MEMBER REPRESENTATION (AMREC)

The disadvantages of this proposal are –

- Electors may feel that they are not adequately represented if they do not have an affinity with any of the elected members;
- Elected members living in a certain area may have a greater affinity and understanding of the issues specific to that area;
- There is potential for an interest group to dominate the Council;
- The option would most likely result in a spill of Elected Members;
- Elected Members may feel overwhelmed by having to represent all electors and may not have the time or the opportunity to understand and represent all the issues; and
- It may be more difficult and costly for candidates to be elected if they need to canvass the whole district; and
- An increase in the ratio of Councillors to electors may place too many demands on elected members.

**Table 5 – Option 5
WARDS AND REPRESENTATION**

| Ward | Number of Electors | Number of Councillors | Councillor: Elector Ratio | % Ratio Deviation |
|--------------|--------------------|-----------------------|---------------------------|-------------------|
| Total | 67,006 | 12 | 1 : 5,584 | 0.00% |

Further Options

The following is an assessment of these options against the factors.

The issue of four wards has been considered, however problems arise as to the appropriate delineation of the ward boundaries. The delineation based on major road networks does not lend itself to parity in the Councillor to Elector ratio within the 10% allowed deviation between the wards. Delineation of the ward boundaries based on the Neighbourhood areas of North West Melville, North East Melville, South East Melville and South West Melville does not come within the 10% allowed deviation.

Community of interest

There are communities of interest.

Physical and topographic features

The division of the district into four wards is along major physical and topographic boundaries.

C08/5037 – REPORT ON REVIEW OF WARD BOUNDARIES AND ELECTED MEMBER REPRESENTATION (AMREC)

Demographic trends

There is growth expected in the wards along the proposed rail stations; in the University Ward due to the hospital development and housing development; the Palmyra-Melville-Willagee Ward due to housing development; and the Bull Creek-Leeming Ward if the district boundary review is commenced and successful.

Economic factors

The boundaries do not reflect areas of economic activity.

Ratio of councillors to electors

The ratio of Councillors to electors does not result in balanced representation across the wards.

To meet the allowed deviation, delineation would need to occur within suburb boundaries and therefore ward boundaries might become confused and the very neighbourhood areas would be altered crossing major road networks in an effort to gain parity in the Councillor to Elector ratio. The major problem is between the two eastern neighbourhood areas, and the possibility exists to cede approximately 2,000 electors from the North West Ward to the South East Ward. This would include the suburb of Brentwood and a small portion of Booragoon. Acceptable ratios would be met.

**Table 6 – Neighbourhood Areas
WARDS AND REPRESENTATION**

| Neighbourhood Area | Number of Electors | Number of Councillors | Councillor: Elector Ratio | % Ratio Deviation |
|---------------------------|---------------------------|------------------------------|----------------------------------|--------------------------|
| North West Melville | 17,169 | 3 | 1 : 5,723 | -2.49% |
| North East Melville | 20,108 | 3 | 1 : 6,702.6 | -20.03% |
| South East Melville | 14,398 | 3 | 1 : 4,799.3 | 14.05% |
| South West Melville | 15,331 | 3 | 1 : 5,110.3 | 8.48% |
| Total | 67,006 | 12 | 1 : 5,584 Average | |

C08/5037 – REPORT ON REVIEW OF WARD BOUNDARIES AND ELECTED MEMBER REPRESENTATION (AMREC)

Table 7 - Neighbourhood Areas

| Neighbourhood Area | Number of Residents (Less overseas visitors) |
|---------------------------|---|
| North West Melville | 22,268 |
| North East Melville | 26,925 |
| South East Melville | 19,759 |
| South West Melville | 22,607 |
| Total | 91,559 |

(Source – Australian Bureau of Statistics Census of Population and Housing 2006)

Representation

The ideal number of Elected Members for a local government is to be determined by the local government. It may be that a reduced number of Elected Members may still provide adequate representation for the City. The only guidance provided by the Act is that there shall not be more than 15 Elected Members inclusive of the Mayor. Whether or not the number of Councillors is reduced or increased will directly depend on the number of wards or if the ward system is to be abolished. Currently, there are six wards with two Elected Members per ward and one popularly elected Mayor. If the present number of wards and boundaries were to be retained, the City would not be able to increase or decrease the number of Elected Members as there would be a greater disparity in the Councillor to elector ratio. In identifying the ward structure to adopt, Elected Members should note that wards of differing elector sizes may be considered on the basis that these wards may have a different number of Elected Members. For example, in a district with 18,000 electors divided into two wards with 12,000 electors in one ward and 6,000 electors in another may have four councillors in one ward and two councillors in another ward. The Councillor to elector ratio would be in parity.

The advantages of a reduction in the number of Elected Members may include –

- The decision-making process may be more effective and efficient if the number of elected members is reduced. Ascertaining the views of fewer people is more timely and decision-making may be easier;
- The cost of maintaining Elected Members is likely to be reduced;
- The increase in the ratio of Councillors to electors is unlikely to be significant unless the reduction proposed is significant;
- A reduction in the number of Councillors may result in increased commitment from existing elected members and greater participation in Council's affairs;
- fewer elected members are more readily identifiable to the community;

C08/5037 – REPORT ON REVIEW OF WARD BOUNDARIES AND ELECTED MEMBER REPRESENTATION (AMREC)

- fewer positions on Council may lead to greater interest in elections with contested elections and greater community support; and
- According to the Local Government Advisory Board there is a Statewide trend for reductions in the number of elected members.

The disadvantages of a reduction in the number of Elected Members may include –

- A smaller number of elected members may result in an increased workload and may lessen effectiveness;
- The demands of becoming a Councillor may discourage others from nominating for Council;
- There is the potential for dominance in the Council of a particular interest group;
- A reduction in the number of elected members may limit the diversity of interests at the council table;
- Opportunities for community participation in Council's affairs may be reduced if there are fewer elected members for the community to contact; and
- An increase in the ratio of councillors to electors may place too many demands on elected members.

Naming of Wards

If the City resolves to maintain a ward system the names of the wards may also be considered for amendment. Currently the ward names reflect suburbs included in each ward. This is subject to some confusion as the ward names do not necessarily include all the suburbs within each of the wards, for example City Ward, University Ward and Applecross-Mt Pleasant Ward which includes Ardross and Brentwood.

One submission received did not want the names of the wards amended. The other submissions did not address the issue.

Please note that the City was asked at its Ordinary Council Meeting held in November 2007 whether it would consider changing the name of the Applecross-Mt Pleasant Ward to Applecross-Ardross-Mt Pleasant Ward to better identify the localities it encompasses. The response was that the issue could be considered by Council in the forthcoming Ward boundary review.

Council may resolve to amend the names of its wards to more properly reflect the suburbs.

Implementation of the Proposed Changes

It is expected that if Council resolves to amend its wards and submits its proposal to the Local Government Advisory Board prior to 31 December 2008, any changes recommended by the Board to the Minister and recommended by the Minister to the Governor will be implemented prior to the October 2009 Local Government elections.

C08/5037 – REPORT ON REVIEW OF WARD BOUNDARIES AND ELECTED MEMBER REPRESENTATION (AMREC)**PUBLIC CONSULTATION/COMMUNICATION**

The City advertised the review in accordance with Schedule 2.2 clause 7 of the Local Government Act 1995 on 23 September and 14 October 2008. A discussion paper was made available to the public to promote discussion. Four submissions were received from Councillors and the public.

CONSULTATION WITH OTHER AGENCIES / CONSULTANTS

Two workshops with Councillors were held on the subject. The first to advise Councillors of the process and the options contained in the public discussion paper, the second to discuss any submissions received and the views of Councillors on the issue prior to the final recommendation being discussed at Council. The City also organised with the Local Government Advisory Board for the Board to meet with Council and address any questions or concerns raised by Councillors.

STATUTORY AND LEGAL IMPLICATIONS

The *Local Government Act 1995* schedule 2.2 clause 6 requires that every local government that has a ward system is to undertake a review of its wards and representation so that not more than 8 years elapse between successive reviews.

Schedule 2.2 and s. 2.2, s. 2.3, and s. 2.18 have effect.

2.2. Districts may be divided into wards

(1) The Governor, on the recommendation of the Minister, may make an order —

(c) changing the boundaries of a ward;

(4) The Minister can only make a recommendation under subsection (1) if the Advisory Board has recommended under Schedule 2.2 that the order in question should be made.

2.3. Names of districts and wards

(3) If a local government proposes under Schedule 2.2 that an order be made changing the name of the district or a ward, the Minister may recommend to the Governor that the order be made, and the Governor may make the order accordingly.

(4) The Minister can only make a recommendation under subsection (3) if the Advisory Board has recommended under Schedule 2.2 that the order in question should be made.

A submission based on the decision of Council is to be prepared and submitted to the Local Government Advisory Board for their consideration and determination.

C08/5037 – REPORT ON REVIEW OF WARD BOUNDARIES AND ELECTED MEMBER REPRESENTATION (AMREC)**2.18. Fixing and changing the number of councillors**

(2) When an order is made under section 2.2 discontinuing a ward system for a district, the number of offices of councillor on the council remains unchanged unless the order specifies otherwise.

- (3) The Governor, on the recommendation of the Minister, may make an order —
- (a) changing the number of offices of councillor on a council;
 - (b) specifying or changing the number of offices of councillor for a ward;
or
 - (c) as to a combination of those matters.

(4) The Minister can only make a recommendation under subsection (1) or (3) if the Advisory Board has recommended under Schedule 2.2 that the order in question should be made.

FINANCIAL IMPLICATIONS

The cost implications include Gazettal fees should changes to the Ward boundaries be made.

STRATEGIC AND RISK MANAGEMENT IMPLICATIONS

The requirement for periodic reviews of wards and representation is linked to the overall organisation and community participation within the process of elections.

POLICY IMPLICATIONS

Not applicable.

ALTERNATE OPTIONS AND THEIR IMPLICATIONS

Not applicable.

CONCLUSION

While the number of electors in the University Ward is marginally over the desired 10% variation it is not so significant that the City is required to undertake a boundary adjustment at this stage. The University Ward, the Bull Creek-Leeming Ward and the Palmyra-Melville-Willagee Ward will experience further growth in the number of electors due to proposed developments in these areas. To undertake a review at this time will mean that a further review will be necessitated in the near future. To undertake minor boundary adjustments to correct a slight under representation issue in the University Ward will significantly affect the suburbs of Kardinya, and Melville. The amendment to the boundary would not be along major road networks and would significantly impact on the community of interest in these wards.

C08/5037 – REPORT ON REVIEW OF WARD BOUNDARIES AND ELECTED MEMBER REPRESENTATION (AMREC)

It would be prudent to undertake a district boundary review to investigate options for dealing with the anomaly in the portions of the suburb of Leeming. This suburb is divided between three local government boundaries, being the Cities of Melville, Canning and Cockburn and this should be addressed prior to the consideration of a major readjustment of ward boundaries.

**OFFICER RECOMMENDATION & COUNCIL RESOLUTION (5037)
ABSOLUTE MAJORITY APPROVAL**

At 6.48pm Cr Wieland moved, Cr Macphail seconded -

THAT COUNCIL RECOMMENDS TO THE LOCAL GOVERNMENT ADVISORY BOARD THAT:

- 1. THE CURRENT WARD STRUCTURE AND BOUNDARIES BE RETAINED I.E. 6 WARDS.**
- 2. THE NUMBER OF COUNCILLORS BEING 12 BE RETAINED WITH EACH WARD HAVING REPRESENTATION OF 2 COUNCILLORS**
- 3. THE CURRENT METHOD OF ELECTING THE MAYOR EXTERNALLY BY THE COMMUNITY BE RETAINED**
- 4. THE EXISTING WARD NAMES BE RETAINED**
- 5. THE COUNCIL INSTRUCT THE CHIEF EXECUTIVE OFFICER TO COMMENCE A BOUNDARY REVIEW WITH THE INTENT TO INCLUDE ALL OF THE SUBURB OF LEEMING WITHIN THE CITY OF MELVILLE DISTRICT BOUNDARY.**

At 6.50pm the Mayor submitted the motion, which was declared

CARRIED BY ABSOLUTE MAJORITY (12/0)

C08/6000 - INVESTMENT STATEMENTS (REC) (ATTACHMENT)

| | | |
|----------------------------|---|---|
| Ward | : | All |
| Category | : | Operational |
| Subject Index | : | Financial Investments and 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 | : | Dudley Smith Manager Financial Services |

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> |

KEY ISSUES / SUMMARY

- This report presents the investment statements for the month of October 2008 and recommends that the information detailed in the attachments be noted.
- The report highlights significant reductions in the estimated market value of many of Councils' investments and discusses the actions being taken by Council Officers to ameliorate in so far as possible the risk of further losses in value.

C08/6000 - INVESTMENT STATEMENTS (REC) (ATTACHMENT)**BACKGROUND**

The investment of surplus cash holdings is undertaken in accordance with Council's investment policy, with the objective of maximising returns whilst maintaining low levels of credit risk exposure.

DETAIL

The investment of surplus funds is undertaken in accordance with the City of Melville's Investment of Surplus Funds Policy 13-PL-003.

[6000A October 2008.pdf](#) and [6000B October 2008.pdf](#) contain specific details (including estimated market valuations) of the investments held at 31 October 2008. Agenda attachment [6000C October 2008.pdf](#) is a graph showing the total of funds invested and their estimated market valuations at the end of each month over the past financial year.

Elected Members are aware of the continuing uncertainty and extreme volatility in world financial markets and the negative impact that it is having on most classes of investments as well as individuals and corporations. This volatility, and the subsequent lack of an active market for Collateralised Debt Obligations (CDO's), has created a situation whereby it continues to be extremely difficult to arrive at truly meaningful market valuations for the (CDO) element of the investment portfolio. Advice received from the Council's investment advisers, Grove Research & Advisory Pty Ltd, confirms that the valuations provided by Council's former advisor and investment managers, Lehman Brothers up until August 2008, were soundly based. Lehman Brothers ceased operation during September 2008 and valuations are now being assessed in accordance with advice from Grove Research & Advisory Pty Ltd, after taking into account the level of credit events suffered by each CDO and the likelihood of survival of the CDO to maturity. It should be noted that due to the bankruptcy proceedings for Lehman Brothers, the collateral of the five Lehman Brothers arranged CDO's owned by Council is now under the control of trustees and it is expected that on sale of the collateral a capital return in the order of 70% may be returned.

It should be noted that these valuations do not imply that should the Council decide to liquidate the CDO's, the prices received would be in line with these valuations as the valuations are based on an active market being present. As this has not been the case since the advent of the credit crisis in July/August last year, any offers to purchase would likely be at levels commensurate with distressed debt levels and not reflective of underlying value. As the Council is not in the position of requiring these funds at this time, the advice from the Council's investment advisers is to continue to hold these investments and take advantage of the above bank bill interest rate return being earned from them.

Following the modest improvements seen in April and May, June saw a dramatic decline in values, with a small recovery in the July valuations, but followed by a further fall in August. However, October 2008 saw an additional 4 credit events that have affected Council's CDOs, which has led to substantially lower values as highlighted below.

C08/6000 - INVESTMENT STATEMENTS (REC) (ATTACHMENT)

The estimate based on the valuations provided is that if it had been possible to dispose of all investments at the end of October, a loss of \$14,123,513 (20.25%, September 14.22%) would have been realised. The market valuation of the CDO element of the investment portfolio at the end of October represented 37.19% (September 53.92%) of its cost figure, with individual valuations ranging between 8.22% and 70%.

Major credit rating agencies Standard and Poors, Moodys and Fitch have also reviewed their methodology for assessing the credit ratings of CDO's. This has resulted in many of the CDO's being downgraded to levels where they are not, and would never have been, considered appropriate for inclusion in the Council's portfolio of investments. It must be pointed out that some of the CDO's do however continue to retain AA credit ratings. The review by the credit rating agencies of their CDO credit rating models affirms what some commentators were saying many months ago ie: that the models used to rate CDO's were flawed in some respects. This has unfortunately led to inappropriate investment by many Councils and other bodies holding public monies on the mistaken belief that the ratings applied by these agencies were sound. This post event review by the credit rating agencies is therefore of little value to the present situation the Council finds itself in and the Council's focus must remain on recovering from the situation it finds itself in.

Loss mitigation and recovery strategies such as obtaining expert and independent advice and amending the investment policy have already been undertaken and Council officers will continue to pursue other avenues including investigating the possibility of legal action against the Council's former investment advisors and fund managers, Lehman Brothers.

Summary details of investments held at 31 October 2008 are shown in the table below.

| SUMMARY BY FUND | FACE VALUE \$ | PURCHASE PRICE \$ | ESTIMATED MARKET VALUE \$ | BOOK PROFIT/(LOSS) \$ | BOOK PROFIT/(LOSS) % |
|-----------------|----------------------|----------------------|------------------------------|--------------------------|-------------------------|
| MUNICIPAL | \$ 35,591,274 | \$ 35,604,672 | \$ 35,428,121 | (\$ 176,550) | -0.50% |
| RESERVE | \$ 33,119,459 | \$ 33,173,000 | \$ 19,226,037 | (\$ 13,946,963) | -42.04% |
| TRUST | \$ 796,760 | \$ 796,760 | \$ 796,760 | \$ - | 0.00% |
| CRF | \$ 157,329 | \$ 157,329 | \$ 157,329 | \$ - | 0.00% |
| | \$ 69,664,823 | \$ 69,731,761 | \$ 55,608,248 | (\$ 14,123,513) | -20.25% |

| SUMMARY BY INVESTMENT TYPE | FACE VALUE \$ | PURCHASE PRICE \$ | ESTIMATED MARKET VALUE \$ | BOOK PROFIT/(LOSS) \$ | BOOK PROFIT/(LOSS) % |
|----------------------------|----------------------|----------------------|------------------------------|--------------------------|-------------------------|
| ADI | \$ 14,500,000 | \$ 14,559,078 | \$ 13,871,774 | (\$ 687,304) | -4.72% |
| CDO | \$ 21,220,000 | \$ 21,227,860 | \$ 7,895,152 | (\$ 13,332,709) | -62.81% |
| CAP GUARANTEED NOTE | \$ 1,150,000 | \$ 1,150,000 | \$ 1,046,500 | (\$ 103,500) | -9.00% |
| TERM DEPOSIT | \$ 31,500,000 | \$ 31,500,000 | \$ 31,500,000 | \$ - | 0.00% |
| 11AM | \$ 1,254,089 | \$ 1,254,089 | \$ 1,254,089 | \$ - | 0.00% |
| UNITS (Local Govt Hse) | \$ 40,734 | \$ 40,734 | \$ 40,734 | \$ - | 0.00% |
| | \$ 69,664,823 | \$ 69,731,761 | \$ 55,608,248 | (\$ 14,123,513) | -20.25% |

| SUMMARY BY RATING | FACE VALUE \$ | PURCHASE PRICE \$ | ESTIMATED MARKET VALUE \$ | BOOK PROFIT/(LOSS) \$ | BOOK PROFIT/(LOSS) % |
|------------------------|----------------------|----------------------|------------------------------|--------------------------|-------------------------|
| AAA | \$ 2,450,000 | \$ 2,450,000 | \$ 1,602,790 | (\$ 847,210) | -34.58% |
| AA | \$ 9,435,000 | \$ 9,452,506 | \$ 6,340,313 | (\$ 3,112,193) | -32.92% |
| AA- | \$ 26,904,089 | \$ 26,910,827 | \$ 25,412,566 | (\$ 1,498,262) | -5.57% |
| A+ | \$ 5,378,037 | \$ 5,378,290 | \$ 5,353,710 | (\$ 24,580) | -0.46% |
| A | \$ 2,621,963 | \$ 2,626,170 | \$ 2,464,503 | (\$ 161,667) | -6.16% |
| A- | \$ 5,300,000 | \$ 5,285,800 | \$ 1,545,075 | (\$ 3,740,725) | -70.77% |
| BBB+ | \$ 7,300,000 | \$ 7,336,177 | \$ 6,004,421 | (\$ 1,331,756) | -18.15% |
| BBB | \$ 5,500,000 | \$ 5,517,543 | \$ 4,383,688 | (\$ 1,133,855) | -20.55% |
| BBB- | \$ - | \$ - | \$ - | \$ - | 0.00% |
| BB- | \$ 1,350,000 | \$ 1,350,000 | \$ 945,000 | (\$ 405,000) | -30.00% |
| BB | \$ 385,000 | \$ 385,000 | \$ 148,649 | (\$ 236,352) | -61.39% |
| B+ | \$ 3,000,000 | \$ 2,998,714 | \$ 1,366,800 | (\$ 1,631,914) | -54.42% |
| UNITS (Local Govt Hse) | \$ 40,734 | \$ 40,734 | \$ 40,734 | \$ - | 0.00% |
| | \$ 69,664,823 | \$ 69,731,761 | \$ 55,608,248 | (\$ 14,123,513) | -20.25% |

C08/6000 - INVESTMENT STATEMENTS (REC) (ATTACHMENT)**Credit Ratings**

There were 14 credit rating changes in CDOs during October which affected all of Councils CDOs except for Magnolia Flinders and Apex (Glenelg), as highlighted in the attachment.

Seven credit events impacting on CDOs held by the City have now been recorded.. The Companies involved were the Federal National Mortgage Association (Fannie Mae), the Federal Home Loan Mortgage Corporation (Freddie Mac), Lehman Brothers, WaMu, Glitnir, Kaupthing and Landsbanki. The impact on CDOs is shown below:

- Beryl Global Bank Note - Nil credit events . – remaining credit support for 1 credit event (Being terminated due to trustee taking control of underlying security).
- Blue Gum - Arranger HSBC Bank US - 7 credit events - Freddie Mac, Fannie Mae, Lehman's, WaMu, Glitnir, Kaupthing & Landsbanki – remaining credit support for 2.5 credit events.
- Esperance - Arranger Merrill Lynch International - 1 credit event - Lehman's – remaining credit support for 5 credit events.
- Glenelg - Arranger Nomura International - 2 credit events - Lehman's & Landsbanki – remaining credit support for 7.0 credit events.
- Green - Arranger J.P. Morgan Australia - 4 credit events - Lehman's, WaMu, Glitnir & Kaupthing – remaining credit support for 2.5 credit events.
- Henley A - Arranger BNP Paribas - 3 credit events – Freddie Mac, Fannie Mae & Lehman's – remaining credit support for 7 credit events.
- Kakadu - Arranger J.P. Morgan Australia - 5 credit events - Freddie Mac, Fannie Mae, Lehman's, WaMu & Kaupthing – remaining credit support for 6.7 defaults.
- Miami Arranger Lehman Brothers 3 credit events - Freddie Mac, Fannie Mae & WaMu – remaining credit support for 7.9 credit events. (Being terminated due to trustee taking control of underlying security)
- Merimbula A – Arranger Lehman Brothers 2 credit events - Freddie Mac,& Fannie Mae – remaining credit support for 12.8 credit events. (Being terminated due to trustee taking control of underlying security)
- Parkes 1A - Arranger Morgan Stanley - 4 credit events - Freddie Mac, Fannie Mae, Lehman's & WaMu – remaining credit support for 5 credit events.
- Parkes 11A - Arranger Morgan Stanley - 4 credit events - Freddie Mac, Fannie Mae, Lehman's & WaMu – remaining credit support for 3 credit events.
- Scarborough - Arranger Merrill Lynch - 5 credit events - Freddie Mac, Fannie Mae, Lehman's, Kaupthing & Landsbanki – remaining credit support for 3 credit events.
- Torquay - Arranger J.P. Morgan - 4 credit events - Freddie Mac, Lehman, Glitnir & Kaupthing – remaining credit support for 4.2 credit events.

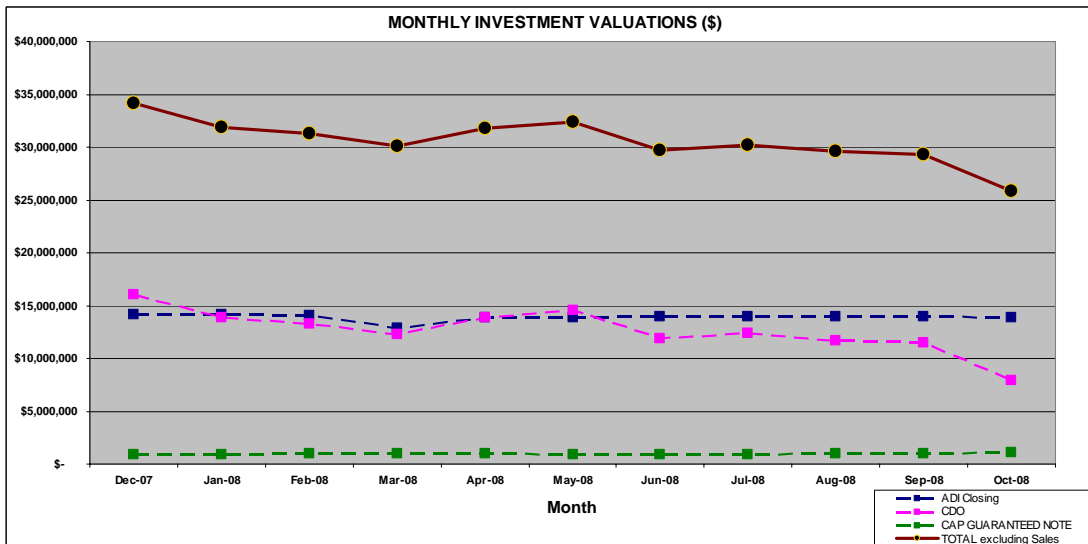
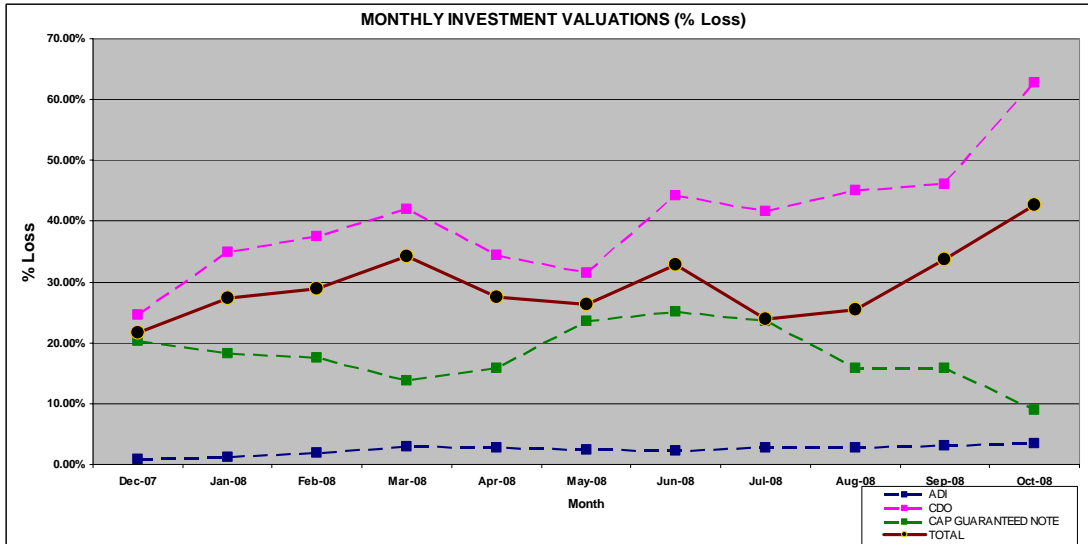
It should be noted that further investment in CDO's is specifically excluded under the current Investment Policy.

Statements 6000A, 6000B and the graph 6000C show the value of the investments based on cost, which is consistent with long standing practice.

Interest rates fell quite substantially in this period, with the rates for 90 day bank bills falling by 1.45% from 7.30% to 5.85%, while the 30 day rates fell by 1.29% from 7.29% to 6.00%.

C08/6000 - INVESTMENT STATEMENTS (REC) (ATTACHMENT)

The graphs below summarise movements in valuation since December 2007.



C08/6000 - INVESTMENT STATEMENTS (REC) (ATTACHMENT)**PUBLIC CONSULTATION/COMMUNICATION**

This report is available to the public on the Council's web-site and hard copies of this agenda and attachments are available for viewing at the Council's 5 public libraries.

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

The matter will also be listed as an important item of business at the Council's Annual Meeting of Electors that will be held on 26 November 2008.

CONSULTATION WITH OTHER AGENCIES / CONSULTANTS

In line with the decision of the Council at its February meeting, Grove Research and Advisory have been appointed as the City's investment adviser and have reviewed the current investment portfolio with a view to providing strategies to minimise any unnecessary risks.

In 2007 Price Waterhouse Coopers (PWC) was 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 February and these are being reviewed with a view to making any necessary changes to the existing Investment Policy adopted by the Council.

STATUTORY AND LEGAL IMPLICATIONS

The following legislation is relevant to this report:

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

FINANCIAL IMPLICATIONS

As at the end of October 2008, total interest excluding Reserve Fund interest earned was \$725,837, against a year to date budget of \$1,008,800. This represents a \$282,963 shortfall variance. The shortfall is attributed to the later issue date of rates notices and the increased level in Ratepayers paying by instalments. The full year budget is \$2,550,000, which due to the above and more recent very significant reductions in interest rates is now highly unlikely to be achieved.

Reserve Fund interest earned was \$921,321 against a budget of \$550,000, a positive variance of \$371,321. The full year budget is \$1,400,000.

C08/6000 - INVESTMENT STATEMENTS (REC) (ATTACHMENT)

In accordance with the Council's revised Investment Policy any surplus investment returns derived as a result of investing in ADI's & CDO's when compared to Bank Bills or Term Deposits will be credited to the Risk Management Reserve.

The most material current financial implication in relation to the cash position of the Council relates to the book value of investments moving according to the very significant market volatility that has been experienced since July 2007, which has impacted negatively on the market price and saleability of our ADI and CDO investments.

STRATEGIC AND RISK MANAGEMENT IMPLICATIONS

The Council's investment policy was constructed to minimise credit risk through investing in highly rated securities and diversification.

Due to the continuing and increasing credit market concerns, the risks associated with the Council's investment portfolio have also increased to levels which are of concern. Whilst the Council continues to earn and be paid interest from its CDO investments, 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 would not meet the Council's investment policy. However, due to the lack of an active or sensibly priced market for CDO's these investments are being held.

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

POLICY IMPLICATIONS

Corporate Policy 13-PL-003 – Investment of Surplus Funds.

As resolved at the November 2007 Ordinary Meeting of Council, the policy has been amended to incorporate mechanisms that protect the Council'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.

ALTERNATE OPTIONS AND THEIR IMPLICATIONS

Not applicable.

C08/6000 - INVESTMENT STATEMENTS (REC) (ATTACHMENT)**CONCLUSION**

The current position in regards to the Council's investments appears very poor. It should be noted that the CDO's are structured in such a manner so as to provide for a level of defaults of a number of the entities referenced by the CDO's before there is loss of value at maturity of the CDO's themselves. In light of the extreme downturn being experienced in many world economies the risk of defaults of corporations referenced by CDO's owned by the City has however increased significantly. The perceived view at the time of writing is that the economic situation, although appearing to have stabilised somewhat, will result in still further corporate failures some of which may be represented in CDO's owned by the City

It should also be noted however that the concerns with these investments will not impact on the Council's day to day operations or capital works programme as adequate funding is available to carry out the works identified in the Council's 2008/2009 Budget. Due to the long term nature of these investments, future impacts will be determined as the credit market situation becomes clearer.

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

THAT THE INVESTMENT STATEMENTS FOR THE MONTH OF OCTOBER 2008, AS DETAILED IN THE FOLLOWING ATTACHMENTS BE NOTED:

[6000A October 2008.pdf](#)

[6000B October 2008.pdf](#)

[6000C October 2008.pdf](#)

At 6.51pm the Mayor submitted the motion, which was declared

**CARRIED EN BLOC
WITHOUT DISSENT (12/0)**

C08/6001 – SCHEDULE OF ACCOUNTS (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 | : | 2008/2009 Budget |
| Responsible Officer | : | Dudley Smith Manager Financial Services |

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> |

C08/6001 – SCHEDULE OF ACCOUNTS (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 October 2008 and recommends that the Schedule of Accounts be noted.

BACKGROUND

Delegated Authority 13-DA-015 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 Customer and 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 period ending 31 October 2008, [6001 October 2008.pdf](#) including Payment Registers numbers 58 to 65 were distributed to the Members of Council on Friday 7 November 2008.

Payments in excess of \$50,000 in the month were as follows:-

- Adshel – E012046 – Supply and Installation of two Bus Shelters - \$60,390.00
- Boral Construction – E011979 – Road Resurfacing in Bicton, Melville and Palmyra - \$399,051.78
- Cary's Electrical Services – 031952 & 032161 – Electrical Services - \$58,036.28
- City of Cockburn – E011740 – Tip Fees - \$94,051.62
- Dickies Tree Service – E011764 & E011986– Tree Pruning and Storm Recovery Costs - \$104,646.30
- Fire & Emergency Services Authority WA – E011899 & E012116 – Emergency Services Levy for June, July and August - \$4,355,603.32
- Flexi Staff – E011793 & E012018 – Temporary Contract Staff for Parks and Gardens and Waster Removal - \$87,889.81
- LGIS Liability – E012030 – Municipal Liability Insurance 2nd instalment for 2008/09 - \$242,926.20
- LGIS WorkCare – E012145 – Municipal WorkCare Insurance 2nd instalment for 2008/09 - \$264,532.95
- Major Motors Pty Ltd – E011771 & E011995 – Vehicle Repair Services and Supply and Delivery of Fiat Deci Truck - \$55,416.97
- Southern Metro Regional Council – EO11745 & EO11874 – Recycling & Waste Collection - \$328,672.87

C08/6001 – SCHEDULE OF ACCOUNTS (REC) (ATTACHMENT)

- Alcoa of Australia – 032227 – Refund of Rates - \$118,076.60
- Synergy – 031879 & 032108 - Electricity Usage - \$121,766.00
- Trees Need Tree Surgeons – E011744, E011863, E011973 & E012087 – Street Tree Pruning Services - \$88,942.42
- Westside Concrete – E011880 – Construction and Maintenance of Footpaths - \$110,708.55

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 2008/2009 Budget.

STRATEGIC AND RISK MANAGEMENT IMPLICATIONS

Not applicable.

POLICY IMPLICATIONS

Management Procedure 1.8 - Certification of Accounts.

ALTERNATE OPTIONS AND THEIR IMPLICATIONS

Not applicable.

C08/6001 – SCHEDULE OF ACCOUNTS (REC) (ATTACHMENT)

CONCLUSION

This is a regular monthly report for Elected Members information.

OFFICER RECOMMENDATION (6001)

NOTING

THAT THE SCHEDULE OF ACCOUNTS FOR THE PERIOD ENDED 31 OCTOBER 2008, AS APPROVED BY THE DIRECTOR CUSTOMER AND CORPORATE SERVICES IN ACCORDANCE WITH DELEGATED AUTHORITY 13-DA-015, AND DETAILED IN ATTACHMENT BE NOTED.

[6001 October 2008.pdf](#)

At 6.52pm the Mayor submitted the motion, which was declared

**CARRIED EN BLOC
WITHOUT DISSENT (12/0)**

C08/6002 – FINANCIAL STATEMENTS (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 : Standard Item
 Works Programme : Not applicable
 Funding : Not applicable
 Responsible Officer : Dudley Smith
 Manager Financial Services

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> |

KEY ISSUES / SUMMARY

- This report presents the financial statements to the end of September 2008 and recommends that they be noted by the Council.

C08/6002 – FINANCIAL STATEMENTS (AMREC) (ATTACHMENT)**BACKGROUND**

The Financial Statements for the end of the month of September 2008 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. It should be noted that the figures reflect the initial phasing of budgets, which need to be further refined as Responsible Officers review their management reports.

Investments have been valued at the cost of acquisition for the purpose of these monthly reports.

Variances

The following variances are a result of phasing that will be adjusted accordingly.

Revenue

- Health – 41% over budget.
- Transport – 25% under budget.
- Other Property & Services – 101% over budget.

Expenditure

- General Purpose Funding – 19% under budget.
- Law, Order, Public Safety – 24% under budget.
- Health – 17% under budget.
- Community Amenities – 42% under budget.
- Recreation & Culture – 25% under budget.
- Economic Services – 19% under budget.
- Other Property & Services – 222% under budget.

Whilst permanent budget variances are generally difficult to determine this early in the financial year it following the completion of the 2007/2008 Annual Financial Statements it is evident that the surplus achieved as per the rate setting statement was \$1,806,200 as opposed to the budgeted surplus of \$2,000,000. This means that a negative variance of \$193,800 has been realised. Other permanent variances that are expected to become evident are the irrecoverable costs incurred in respect to the storms that occurred early this financial year which amounted to \$150,000.

C08/6002 – FINANCIAL STATEMENTS (AMREC) (ATTACHMENT)

Due to the very significant reductions in interest rates, more ratepayers availing themselves of the rates instalments payments system and therefore slower than expected rates collections and investing is very low risk and lower return term deposit investments, it is quickly becoming apparent that the Municipal Fund investment earnings budget of \$2,500,000 will not be achieved. The shortfall in investment earnings as a result of these factors may be in the order of \$500,000 to \$700,000 and greater if the Council chooses to avail itself of the Federal Governments recently announced guarantee for bank deposits over \$1m fee.

These variances will be addressed in next months Financial Statements report to Council.

The following attachments form part of the Attachments to the Agenda, which was distributed to the Members of the Council on Friday 7 November 2008.

| DESCRIPTION | LINK |
|---|--|
| Statement of Financial Activity – September 2008 | 6002A September 2008.pdf |
| Operating Statements by Program for the period ended 30 September 2008 | 6002B September 2008.pdf |
| Representation of Working Capital as at September 2008 | 6002E September 2008.pdf |
| Reconciliation of Net Working Capital as at 30 September 2008 | 6002F September 2008.pdf |
| Notes on Operating Statements for September 2008 reporting on variances of 10% or greater | 6002H September 2008.pdf |
| Details of Budget Amendments requested during the month of September 2008 | 6002J September 2008.pdf |
| Summary of Rates debtors as at 30 September 2008 | 6002L September 2008.pdf |
| Graph showing Rates collections as at 30 September 2008 | 6002M September 2008.pdf |
| Summary of general debtors aged 90 days old or greater as at 30 September 2008 | 6002N September 2008.pdf |

C08/6002 – FINANCIAL STATEMENTS (AMREC) (ATTACHMENT)

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.
- (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.

C08/6002 – FINANCIAL STATEMENTS (AMREC) (ATTACHMENT)

- (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 the 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 the 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.

FINANCIAL IMPLICATIONS

Amendments to the 2008/2009 Budget have been included in the budget amendment reports.

Further amendments will be necessary in response to several significant variances that have or are expected to be realised over the course of the financial year.

STRATEGIC AND RISK MANAGEMENT IMPLICATIONS

Not applicable.

POLICY IMPLICATIONS

Not applicable.

ALTERNATE OPTIONS AND THEIR IMPLICATIONS

Not applicable.

CONCLUSION

The attached reports reflect the financial situation of the City of Melville as at 30 September 2008.

C08/6002 – FINANCIAL STATEMENTS (AMREC) (ATTACHMENT)

OFFICER RECOMMENDATION & COUNCIL RESOLUTION (6002)

ABSOLUTE MAJORITY

At 6.53pm Cr Ceniviva moved, Cr Robartson seconded -

- 1. THAT THE STATEMENTS OF FINANCIAL ACTIVITY AND THE OPERATING STATEMENTS FOR THE PERIOD ENDING 30 SEPTEMBER 2008 AS DETAILED IN THE FOLLOWING ATTACHMENTS BE ADOPTED:**

| DESCRIPTION | LINK |
|--|---|
| STATEMENT OF FINANCIAL ACTIVITY – SEPTEMBER 2008 | <u>6002A September 2008.pdf</u> |
| OPERATING STATEMENTS BY PROGRAM FOR THE PERIOD ENDED 30 SEPTEMBER 2008 | <u>6002B September 2008.pdf</u> |
| REPRESENTATION OF WORKING CAPITAL AS AT SEPTEMBER 2008 | <u>6002E September 2008.pdf</u> |
| RECONCILIATION OF NET WORKING CAPITAL AS AT 30 SEPTEMBER 2008 | <u>6002F September 2008.pdf</u> |
| NOTES ON OPERATING STATEMENTS FOR SEPTEMBER 2008 REPORTING ON VARIANCES OF 10% OR GREATER | <u>6002H September 2008.pdf</u> |
| SUMMARY OF RATES DEBTORS AS AT 30 SEPTEMBER 2008 | <u>6002L September 2008.pdf</u> |
| GRAPH SHOWING RATES COLLECTIONS AS AT 30 SEPTEMBER 2008 | <u>6002M September 2008.pdf</u> |
| SUMMARY OF GENERAL DEBTORS AGED 90 DAYS OLD OR GREATER AS AT 30 SEPTEMBER 2008 | <u>6002N September 2008.pdf</u> |

- 2. THAT BY ABSOLUTE MAJORITY DECISION, THE BUDGET AMENDMENTS, AS LISTED IN THE BUDGET AMENDMENT REPORTS FOR SEPTEMBER 2008, AS DETAILED IN ATTACHMENT [6002J September 2008.pdf](#) BE ADOPTED.**

At 6.55pm the Mayor submitted the motion, which was declared

CARRIED BY ABSOLUTE MAJORITY (12/0)

EN BLOC ITEMS

At 6.56pm Cr Macphail moved, Cr Ceniviva seconded -

THAT THE RECOMMENDATIONS FOR ITEMS C08/5029, T08/1002, C08/5036, C08/6000 and C08/6001 BE CARRIED EN BLOC

At 6.56pm the Mayor submitted the motion which was declared

**CARRIED
WITHOUT DISSENT (12/0)**

13. MOTIONS OF WHICH PREVIOUS NOTICE HAS BEEN GIVEN

Nil

14. MOTIONS WITHOUT NOTICE BY ABSOLUTE MAJORITY OF THE COUNCIL

14.1 REGIONAL RECOVERY CENTRE

COUNCIL RESOLUTION

ABSOLUTE MAJORITY

At 6.57pm Cr Robartson moved, Cr Subramaniam seconded -

THAT CR ROBERTSON BE PERMITTED TO PRESENT TO COUNCIL A MOTION WITHOUT NOTICE RELATING TO THE REGIONAL RECOVERY CENTRE.

At 6.57pm the Mayor submitted the motion, which was declared

CARRIED BY ABSOLUTE MAJORITY (12/0)

COUNCIL RESOLUTION

APPROVAL

At 6.58pm Cr Robartson moved, Cr Reynolds seconded -

- 1. THAT THE CITY OF MELVILLE REAFFIRMS IT'S TOTAL COMMITMENT TO THE OPERATION OF THE REGIONAL RESOURCE RECOVERY CENTRE (RRRC) BY THE SOUTHERN METROPOLITAN REGIONAL COUNCIL (SMRC) IN PROVIDING AN EFFICIENT AND ENVIRONMENTALLY ACCEPTABLE WASTE AND RECYCLING SERVICE FOR THE REGION,**
- 2. THAT THE CITY ALSO SUPPORTS THE CLEAR AND STATED AIM OF THE WASTE AVOIDANCE AND RESOURCE RECOVERY (WARR) ACT OF HELPING STATE AND LOCAL GOVERNMENTS TO CONTINUOUSLY IMPROVE THEIR WASTE SERVICES AND MOVE TOWARDS A WASTE FREE SOCIETY,**

3. THAT THE COUNCIL REQUESTS THE PREMIER OF WESTERN AUSTRALIA THE HON. COLIN BARNETT MLA TO:
- a) HAVE THE MINISTER FOR THE ENVIRONMENT ESTABLISH AN INDEPENDENT COMMUNITY CONSULTATIVE COMMITTEE TO WORK IN LIAISON WITH THE DEPARTMENT OF THE ENVIRONMENT AND THE SOUTHERN METROPOLITAN REGIONAL COUNCIL TO RESOLVE COMMUNITY CONCERNS RELATING TO THE RRRC;
 - b) HAVE THE WASTE MANAGEMENT AUTHORITY URGENTLY ESTABLISH AND FUND A RESEARCH PROGRAM INTO ENVIRONMENTAL AND COMMUNITY ISSUES RELATING TO THE INTRODUCTION OF ALTERNATIVE WASTE TECHNOLOGIES (AWT) IN WESTERN AUSTRALIA.
4. FURTHER, THAT THE CITY OF MELVILLE DIRECTS THE CHIEF EXECUTIVE OFFICER OF THE SOUTHERN METROPOLITAN REGIONAL COUNCIL TO PROVIDE A REPORT ON THE ACTIONS THE REGIONAL COUNCIL INTENDS TO TAKE IN RELATION TO THE DEVELOPMENT OF AN ODOUR ACTION PLAN AS REQUESTED BY THE DIRECTOR GENERAL, DEPARTMENT OF THE ENVIRONMENT AND CONSERVATION, MR KEIRAN MCNAMARA IN HIS LETTER TO THE SMRC OF 5 NOVEMBER 2008.

At 7.13pm the Mayor submitted the motion, which was declared

CARRIED WITHOUT DISSENT(12/0)

14.2 REPRESENTATION ON EMERGENCY MANAGEMENT COMMITTEE

COUNCIL RESOLUTION

ABSOLUTE MAJORITY

At 7.14pm Cr Macphail moved, Cr Robartson seconded -

THAT CR BARTON BE PERMITTED TO PRESENT TO COUNCIL A MOTION WITHOUT NOTICE RELATING TO REPRESENTATION ON THE EMERGENCY MANAGEMENT COMMITTEE.

At 7.14pm the Mayor submitted the motion, which was declared

CARRIED BY ABSOLUTE MAJORITY (12/0)

COUNCIL RESOLUTION

APPROVAL

At 7.15pm Cr Barton moved, Cr Subramaniam seconded -

THAT COUNCILLOR BARTON BE NOMINATED TO BE A MEMBER OF THE EMERGENCY MANAGEMENT COMMITTEE.

At 7.15pm the Mayor submitted the motion, which was declared

CARRIED WITHOUT DISSENT (12/0)

FOOTNOTE

CR R SUBRAMANIAM IS THE NOMINATED MEMBER AND CR G WIELAND THE NOMINATED DEPUTY. CR BARTON UNDERSTANDS THAT MORE THAN ONE MEMBER IS ALLOWED.

15. CLOSURE

There being no further business to discuss, the Mayor declared the meeting closed at 7.18pm.