

MINUTES

OF THE

ORDINARY MEETING OF COUNCIL

HELD ON

19 JULY 2011

AT 6.30PM IN THE COUNCIL CHAMBERS

MELVILLE CIVIC CENTRE

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CONTENTS PAGE

	Item Description	Page Number
URBAN PLANNING		
P11/3226	Three-Storey Mixed-Use Development at 31F Ardross Street Applecross	10
P11/3224	Final Adoption of Amendment No 60 to Community Planning Scheme No 5 – Deletion of the Precinct Development Provisions for Two Storey (or more) Developments on battle-axe Lots	31
P11/3225	Final Adoption of Urban Planning Policies (Stage 3 Review)	38
TECHNICAL SERVICES		
Nil		
COMMUNITY DEVELOPMENT		
D11/8037	Mt Pleasant Bowling Club Self Supporting Loan Request	49
D11/8038	Murdoch University Commonwealth Heads of Government Meeting Partnership Opportunity	58
MANAGEMENT SERVICES		
Nil		
CORPORATE SERVICES		
C11/5000	Common Seal	63
C11/6000	Investment Statements May 2011	66
C11/6001	Schedule of Accounts May 2011	81
C11/6002	Financial Statements May 2011	86
MOTIONS OF WHICH PREVIOUS NOTICE HAS BEEN GIVEN		
15.1	Acquisition of Properties at 58 – 60 Murray Road, Bicton owned by Western Power	93



MINUTES OF THE ORDINARY MEETING OF THE COUNCIL HELD IN THE COUNCIL CHAMBERS, MELVILLE CIVIC CENTRE, 10 ALMONDBURY ROAD, BOORAGOON, COMMENCING AT 6.30PM ON TUESDAY, 19 JULY 2011.

1. OFFICIAL OPENING

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

Affirmation of Civic Duty and Responsibility

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

2. PRESENT

His Worship the Mayor, Russell Aubrey

COUNCILLORS

Cr R Subramaniam, Cr C Robartson
Cr N Pazolli, Cr P Reidy
Cr A Nicholson, Cr A Ceniviva
Cr J Barton, Cr G Wieland
Cr C Halton,
Cr N Foxtan, Cr M Reynolds

WARD

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

3. IN ATTENDANCE

Dr S Silcox	Chief Executive Officer
Mr M Tieleman	Director Corporate Services
Mr T Cahoon	A/Director Community Development
Mr S Cope	Director Urban Planning
Mr J Christie	Director Technical Services
Mr L Hitchcock	Executive Manager Legal Services
Mr P Prendergast	Manager Planning & Development Services
Mr J Clark	Governance & Compliance Program Manager
Ms D Beilby	Minute Secretary

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

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

Cr Kinnell Palmyra/Melville/Willagee Ward

4.2 APPROVED LEAVE OF ABSENCE

Nil.

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

Nil.

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

Nil.

6. QUESTION TIME

6.1 Mr M Holt, Kardinya

"In 2009, the Bicton Attadale Cricket Club applied as a new club to utilise Troy Park as a cricket playing venue on Saturday afternoons during the summer season. The City of Melville rejected our application sighting that Troy Park was a "junior only" designated oval, notwithstanding a "non-junior" club had and still have authorised use of the oval.

In 2010, the Bicton Attadale Cricket Club again applied for use of Troy Park only to again be denied usage, however this time the reason given was that the oval was required as an emergency cricket facility whilst maintenance issues prevailed at both Tompkins Park & Melville Reserve.

As the oval has now been used for senior cricket (one game in 2010/11) we would now respectfully request the Council to allow our club to play Saturday afternoon fixtures at the vacant Troy Park from the commencement of season 2011/12?"

The Chief Executive Officer responded by saying that within the City there are a number of sporting clubs and that demand for facilities is large resulting in overuse of our current facilities. The City has gone through the process of moving sport from one area to another and the preferred option is that proposed new clubs join existing clubs.

The A/Director Community Development responded by saying that currently there is a demand for sporting facilities that the City cannot fill.

Recently the City had to close Len Shearer and Shirley Strickland Reserves for a three month period due to water and overuse issues. The impact of these closures were far reaching and impeded the operations of other reserves that had to been used to accommodate over 1600 participants from the two closed reserves. As an established Local Government Authority with near capacity use of its reserves the City is limited in its ability to be flexible should further reserves closures be required. Because of this inflexibility and the City wide impact of water restrictions the City is not prepared to place a burden on or stretch our already highly utilised facilities by introducing any new clubs at this stage.

7. AWARDS AND PRESENTATIONS

8. CONFIRMATION OF MINUTES**8.1 ORDINARY MEETING OF COUNCIL – 21 JUNE 2011**
Min 21 June 2011**COUNCIL RESOLUTION**

At 6.39pm Cr Wieland moved, seconded Cr Ceniviva -

That the Minutes of the Ordinary Meeting of Council held on Tuesday, 21 June 2011, be confirmed as a true and accurate record.

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

CARRIED (12/0)

8.2 SPECIAL MEETING OF COUNCIL – 28 JUNE 2011 (Sale of Land)
Min 28 June 2011 Sale of Land**COUNCIL RESOLUTION**

At 6.39pm Cr Reynolds moved, seconded Cr Subramaniam -

That the Minutes of the Special Meeting of Council held on Tuesday, 28 June 2011 to consider the sale of land, be confirmed as a true and accurate record.

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

CARRIED (12/0)

8.3 SPECIAL MEETING OF COUNCIL – 28 JUNE 2011 (Adoption of 2011/2012 Budget)
Min 28 June 2011 Budget Adoption**COUNCIL RESOLUTION**

At 6.40pm Cr Reidy moved, seconded Cr Ceniviva -

That the Minutes of the Special Meeting of Council held on Tuesday, 28 June 2011 to consider the adoption of the 2011/2012 Budget, be confirmed as a true and accurate record.

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

CARRIED (12/0)

8. CONFIRMATION OF MINUTES (Continued)**8.4 SPECIAL MEETING OF ELECTORS – 29 JUNE 2011**
[Min 29 June 2011](#)**OFFICER RECOMMENDATION**

At 6.41pm Cr Halton moved, seconded Cr Barton -

1. That the Minutes of the Special Meeting of Electors held on Wednesday, 29 June 2011, be confirmed as a true and accurate record.
2. That the Council note the four resolutions from the Special Meeting of Electors being -
 1. That the City of Melville, and its planning department and officers, make all reasonable efforts via residents/owners published telephone listings to be assured that all directly adjoining residents/owners have received /and acknowledged Council's posted notices of proposed developments directly adjoining affected residents and that residents are sufficiently informed regarding their rights and their ability to either oppose or agree in writing and of the required format of submissions relating to any proposed development adjoining their residences/properties.
 2. That the Melville City Council make provision on rates notices to obtain and use, with residents permission, their private email address for the purpose of contacting and maintaining applicable information to residents of any specific matter they need to be aware of which they may not be receiving from either newspapers or public notices in libraries and similar or phone calls or post such as proposed building developments and important Council policy changes.
 3. That the Melville City Council endeavours to contact and mediate between builders/developers and known affected adjoining residents regarding contentious design matters within the scope of Council's policies by using compromises to proposed designs in the early stages of planning, such that all parties concerned are reasonably satisfied and not unduly disadvantaged and the proposed designs still being within Council guidelines and R-CODE limits and CPS5 /6 guidelines.

8. CONFIRMATION OF MINUTES (Continued)

4. That the Melville City Council, its departments and officers, make every effort to resolve early real or perceived disputes between builders/and residents/owners in the early stages of proposed developments by using either new or existing Council policies and mediation to allow disputes to be settled early to the satisfaction of both the community and builders without undue financial hardship to builders nor loss of amenity and character of the locality to local residents whilst still being within R-CODE AND CPS5 guidelines.

Amendment

At 6.41pm Cr Halton moved, seconded Cr Barton -

That part 3 be added to the Officer Recommendation as follows -

3. ***That the Chief Executive Officer prepare a report giving consideration to the resolutions and that the report be presented to a future meeting of the Council.***

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

CARRIED (12/0)

Reason for Amendment

The recommendation in the Council agenda on this item confirms the minutes taken at the Special Meeting of Electors held 29 June 2011 and notes each of the resolutions that were passed by the Electors in attendance. The Amendment is proposed to include an additional part to the resolution to require that a report is prepared for a future Council meeting which considers each of the resolutions passed by the Electors at the meeting.

COUNCIL RESOLUTION

At 6.42pm the Mayor submitted the substantive motion as amended -

1. ***That the Minutes of the Special Meeting of Electors held on Wednesday, 29 June 2011, be confirmed as a true and accurate record.***
2. ***That the Council note the four resolutions from the Special Meeting of Electors being -***
 1. ***That the City of Melville, and its planning department and officers, make all reasonable efforts via residents/owners published telephone listings to be assured that all directly adjoining residents/owners have received /and acknowledged Council's posted notices of proposed developments directly adjoining affected residents and that residents are sufficiently informed regarding their rights and their ability to either oppose or agree in writing and of the required format of submissions relating to any proposed development adjoining their residences/properties.***

8. CONFIRMATION OF MINUTES (Continued)

2. That the Melville City Council make provision on rates notices to obtain and use, with residents permission, their private email address for the purpose of contacting and maintaining applicable information to residents of any specific matter they need to be aware of which they may not be receiving from either newspapers or public notices in libraries and similar or phone calls or post such as proposed building developments and important Council policy changes.
 3. That the Melville City Council endeavours to contact and mediate between builders/developers and known affected adjoining residents regarding contentious design matters within the scope of Council's policies by using compromises to proposed designs in the early stages of planning, such that all parties concerned are reasonably satisfied and not unduly disadvantaged and the proposed designs still being within Council guidelines and R-CODE limits and CPS5 /6 guidelines.
 4. That the Melville City Council, its departments and officers, make every effort to resolve early real or perceived disputes between builders/and residents/owners in the early stages of proposed developments by using either new or existing Council policies and mediation to allow disputes to be settled early to the satisfaction of both the community and builders without undue financial hardship to builders nor loss of amenity and character of the locality to local residents whilst still being within R-CODE AND CPS5 guidelines.
3. *That the Chief Executive Officer prepare a report giving consideration to the resolutions and that the report be presented to a future meeting of the Council.*

At 6.42pm the Mayor declared the motion

CARRIED (12/0)

8.5 NOTES OF AGENDA BRIEFING FORUM – 5 JULY 2011
[Notes 5 July 2011](#)**COUNCIL RESOLUTION**

At 6.43pm Cr Robartson moved, seconded Cr Subramaniam -

That the Notes of Agenda Briefing Forum held on Tuesday, 5 July 2011, be received.

At 6.43pm the Mayor submitted the motion, which was declared

CARRIED (12/0)

9. DECLARATIONS OF INTEREST

9.1 FINANCIAL INTERESTS

Nil.

9.2 DISCLOSURE OF INTEREST THAT MAY CAUSE A CONFLICT

- D11/8037 – Mayor R Aubrey
- D11/8038 – Cr J Barton

10. APPLICATIONS FOR NEW LEAVES OF ABSENCE

- Cr R Subramaniam

At 6.44pm Cr Robartson moved, seconded Cr Halton -

That the application for new leave of absence submitted by Cr Subramaniam on 19 July 2011 be granted.

At 6.44pm the Mayor submitted the motion, which was declared **CARRIED (12/0)**

11. IDENTIFICATION OF MATTERS FOR WHICH MEETING MAY BE CLOSED

Nil.

12. PETITIONS

12.1 Petition – Proposed Development at 20 Bridges Road, Melville

A petition signed by 365 residents and four non residents was received by the City of Melville on Wednesday 29 June 2011. The petition reads as follows -

“We, the undersigned, all being Electors of the City of Melville, do humbly pray that our Councillors take note of the objections of the ratepayers and tenants of the City of Melville in regard to the proposed development of 20 Bridges Road Melville on the following grounds.

- 1) *The residents were not consulted prior to the enactment of the building limitations upon which the proposal to build 18 flats at 20 Bridges Road depends, namely Multi Unit Housing Code (Nov 2010) Statement of Policy 3.1 and CPS5.*
- 2) *Flat development was not envisaged under R25/40 Codes, which was primarily intended for infill townhouse type developments.*
- 3) *The bulk and scale of the proposed dwellings (flats) is inconsistent with the developments in this area and is deficient in many areas of performance criteria, set by the legislation, namely in areas of building size, height, street side and rear set back, open space, landscaping, streetscape, site planning and design and building design.”*

12. PETITIONS (Continued)

12.1 Petition – Proposed Development at 20 Bridges Road, Melville (Continued)

COUNCIL RESOLUTION

At 6.45pm Cr Barton moved, seconded Cr Nicholson -

That the petition bearing 369 signatures be tabled, noted and the lead petitioner advised that the matter will be taken into consideration as part of the determination of the current planning application reference DA-2011-414.

At 6.45pm the Mayor submitted the motion, which was declared **CARRIED (12/0)**

13. REPORTS OF THE CHIEF EXECUTIVE OFFICER

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

P11/3226 - THREE-STOREY MIXED- USE DEVELOPMENT AT 31F ARDROSS STREET, APPECROSS (SMREC) (CONFIDENTIAL ATTACHMENT)

Ward	:	Applecross – Mount Pleasant
Category	:	Operational
Application Number	:	DA-2010-1499
Property	:	Lot 1 (31F) Ardross Street, Applecross
Proposal	:	Three-storey Mixed-use Development
Applicant	:	Evoke Design Group
Owner	:	Ms Maxine Trainer
Disclosure of any Interest	:	No Officer involved in the preparation of this report has a declarable interest in this matter.
Responsible Officer	:	Peter Prendergast Manager Planning and Development Services
Previous Items	:	Not applicable

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>

P11/3226 - THREE-STOREY MIXED- USE DEVELOPMENT AT 31F ARDROSS STREET, APPLECROSS (SMREC) (CONFIDENTIAL ATTACHMENT)

KEY ISSUES / SUMMARY

- Planning approval is sought for a three-storey mixed-use development on the corner of Ardross Street and Macleod Road, Applecross.
- The proposed development will comprise a 'Shop' and an 'Office' tenancy to the ground floor, an 'Office' to the first floor, and an apartment to the second floor.
- 'Shop' and 'Office' are both P – permitted land uses within the Community Centre Precinct, whilst the 'Residential' use is a D – discretionary use.
- Given a number of site constraints including lot size and accessibility, a number of variations are sought to the R-Codes and CPS5. These relate to plot ratio, car parking, setbacks and landscaping.
- The proposed variations are supported or can otherwise be made to comply by way of conditions to satisfy the relevant Performance Criteria of the R-Codes and/or the objectives of CPS5.
- The development has also been designed to incorporate public conveniences, the provision of which has been a long standing objective of the City. In addition landscaping and public art is proposed within the verge of Ardross Street, and this will strengthen the appearance of the development at the northern entry to the village precinct.
- The approval of the application requires a Special Majority decision of Council with regard to its plot ratio and an Absolute Majority decision relative to the car parking variation sought.
- The application is recommended for conditional approval.



**P11/3226 - THREE-STOREY MIXED-USE DEVELOPMENT AT 31F ARDROSS STREET,
APPLECROSS (SMREC) (CONFIDENTIAL ATTACHMENT)****BACKGROUND**

The site has been the subject of a number of development proposals in recent years, a summary of which is provided below:

August 1997 – Café / Shop / Office

This application proposed a two-storey development comprising a ground floor café and office/shop and upper floor office/shop tenancies. The proposed total floor area of 247sqm represented a plot ratio of 1.05. Council approved the application subject to conditions, one of which was for a cash-in-lieu payment for 12 car parking bays. It is noted that the cash-in-lieu contribution was subsequently appealed and a revised cash-in-lieu rate of nine bays was imposed.

It is noted that this determination was made under the provisions of the previous Town Planning Scheme No. 3 which did not prescribe a maximum plot ratio for the Precinct.

October 1999 – Medical Centre

This application proposed a single-storey 'Medical Centre', comprising an area of 176.25sqm, and amounting to a plot ratio of 0.75. The Council approved the application subject to conditions, including one for the payment of cash-in-lieu of car parking for 12 car parking bays.

This application was also approved under the provisions of previous Town Planning Scheme No. 3 which did not prescribe a maximum plot ratio for the Precinct.

June 2000 - Shop

In 2000, approval was sought for a proposed single-storey 'Shop' which, by way of design, was identical to that for the previous Medical Centre application. The proposed 187sqm of retail floor area equated to a plot ratio of 0.87 in lieu of 0.3 and a car parking bay requirement of 14-bays. The application was conditionally approved on the basis that eight bays were provided within the Macleod Road verge and the remainder provided as cash-in-lieu.

16 October 2009 – Office/Shop/Restaurant

In 2009 approval was sought to construct a two-storey mixed-use development comprising 'Office', 'Shop' and 'Restaurant' uses. Specifically, the proposal comprised 54.8sqm of 'Shop', 134sqm 'Restaurant' and 192sqm of 'Office' space, equating to a total plot ratio of 1.8 in lieu of 0.3. Whilst the proposal represented a high-quality design outcome, which was supported in principle in planning land use terms, the application was refused on the basis of plot ratio and car parking shortfall.

P11/3226 - THREE-STOREY MIXED-USE DEVELOPMENT AT 31F ARDROSS STREET, APPLECROSS (SMREC) (CONFIDENTIAL ATTACHMENT)

Scheme Provisions

MRS Zoning	:	Urban
CPS 5 Zoning	:	Community Centre Precinct
R-Code	:	R40
Use Classes	:	Office, Shop and Residential
Use Permissibility	:	Office – P Shop – P Residential - D

Site Details

Lot Area	:	235sqm
Retention of Existing Vegetation	:	Not applicable
Street Tree(s)	:	Not applicable
Street Furniture (drainage pits etc)	:	Not applicable
Site Details	:	Refer to photo above

[3226 Revised Plans Three Storey Mixed Use Development at 31F Ardross Street Applecross](#)

DETAIL

Development Requirements

The proposal satisfies all of the relevant provisions of CPS5, the R-Codes and Council Policies with the exception of those matters listed below:

Development Requirement	Required/ Allowed	Proposed	Comments	Delegation to approve variation	Plan Notation
CPS5 / Policy Variations					
Min. Landscaping	10% (23.5sqm)	Nil / 43sqm in reserve	Does not comply	MPDS	
Car Parking	6.54 bays (shop / office)	4-bays (shop / office)	Does not comply	Council	
Plot Ratio	0.3 (70.5sqm)	1.259 (296sqm)	Does not comply	Council	
R-Code Variations					
Front Setback	4.0m	0.802m	Does not comply	MPDS	
Secondary Street Setback	1.5m (R-Codes) 3.0m (Policy)	Nil	Does not comply	MPDS	
Rear Setback	1.4m	Nil	Does not comply	MPDS	
Outdoor Living Areas	10sqm	7.7sqm	Does not comply	MPDS	
Design of Parking Spaces	Not visible from street	Visible from Macleod Rd	Does not comply	MPDS	

P11/3226 - THREE-STOREY MIXED-USE DEVELOPMENT AT 31F ARDROSS STREET, APPLECROSS (SMREC) (CONFIDENTIAL ATTACHMENT)

PUBLIC CONSULTATION / COMMUNICATION

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

Submissions received from	Summary of Submissions	Support / Objection	Officer's Comment	Action (Uphold / Not Uphold)
Fraser Road	<p>The three-storey development will detract from the existing "village" feel. A two-storey development would be acceptable however three storeys will resemble the Canning Bridge Business district.</p> <p>Ardross Street already experiences high parking demand therefore concerns are raised regarding the proposed car parking shortfall.</p> <p>Concerns are raised in relation to the use of a car stacker system. If the system is not installed, Council may have difficulty in requiring the bays to be provided.</p> <p>Having a large development on the corner will create a traffic hazard for line-of-sight to the west as well as shadowing to the east in the afternoon meaning the coffee shops will suffer.</p>	Object	Whilst it is acknowledged that the Precinct comprises predominantly single-storey development, CPS5 allows a maximum building height of 10.5m. The proposed structure, with a maximum height of 9.0m, is therefore satisfactory in that regard.	Not Uphold
Ardross Street		Object	Subject to the creation of formal car parking bays within the verge area off Macleod Road, as is proposed, there is no such shortfall.	Not Uphold
Kintail Road		Object	The installation of a car parking stacker will be a conditional prerequisite of any development approval granted.	Not Uphold
		Object	The existence of the Council owned verge adjacent to the site will ensure the availability of visibility for road users. The shadow impact is not considered to differ to existing levels.	Not Uphold

**P11/3226 - THREE-STOREY MIXED-USE DEVELOPMENT AT 31F ARDROSS STREET,
APPLECROSS (SMREC) (CONFIDENTIAL ATTACHMENT)****CONSULTATION WITH OTHER AGENCIES / CONSULTANTS**Architectural and Urban Design Advisory Panel

At its meeting of 2 June 2011, the subject application was considered by the Architectural and Urban Design Advisory Panel (Panel).

The proposal in its proposed form was generally accepted 'in principle' by the panel members on the basis that the redevelopment will result in a major visual enhancement to the northern entry to the Applecross Village precinct, not least via the removal of the existing somewhat substandard and understated structure that exists on the lot. Notwithstanding this in principle support for the proposal, the following comments were made:

- The development on this lot should be designed to interact with both Ardross Street and Macleod Road.
- The development could be re-designed to incorporate two residential units across the first and second floors with a ground floor shop and/or café / restaurant use. The latter would result in better activation at street level, and enhance the vitality of the Applecross Village centre accordingly.
- The creation of two residential units on the upper floors, and the removal of the proposed upper floor office tenancy, would reduce the number of car parking bays that are required for the development as a whole.
- Awnings should be provided spanning the entire street façade to not only provide weather protection to pedestrians and building frontages but so as to contribute to the urban environment. Awnings reduce the perceived bulk and scale from a pedestrian view, focusing the attention on ground level activities.
- The development of this lot should capitalise on the maximum building height provisions of the Community Planning Scheme, or even seek to extend those height tolerances. Doing so will assist in the delivery of a landmark building for the locality.
- A good design outcome here will set the standard for future developments within the Precinct.
- A plot ratio variation in this instance is entirely acceptable in view of the public contributions that will result i.e. creation of an iconic entry statement to the Village and the delivery of public conveniences, and also in the interests of achieving the best possible design outcome for the site.
- Cash-in-lieu should be considered in lieu of providing any parking bays on-site to allow the development to activate the entire ground floor level (i.e. café and/or retail uses). In this regard, the car stacker is not a good design outcome as it impacts upon the Macleod Road streetscape. Options to reduce impact may include a stacker system which descends below natural ground level, or the provision of screening measures.

P11/3226 - THREE-STOREY MIXED-USE DEVELOPMENT AT 31F ARDROSS STREET, APPLECROSS (SMREC) (CONFIDENTIAL ATTACHMENT)

A subsequent meeting with the applicant and his agent sought to discuss the matters raised by members of the Architectural and Urban Design Advisory Panel. The applicant indicated a broad acceptance in principle of some of the recommendations of the Panel, noting that in developing the site the intention had initially been that the ground floor tenancies be devoted to Café/restaurant uses, with residential accommodation above. A planning application previously considered by the City involved these elements, but was refused consent on the basis that the plot ratio proposed at that time was excessive, and the shortfall in car parking bays could not be supported.

The applicant did however indicate that his preference in the short term would be for the current planning application to be determined, and in doing so, the plans as submitted have been amended to incorporate the following:

- screening to the proposed car park stacker,
- an awning to wrap around the proposed building,
- a revised roof configuration over the public toilet / bin store area to match in height with the car stacker area, thus promoting a seamless continuation of the Ardross Street façade along the Macleod Road elevation, and revisions to the glass staircase / entrance foyer to now incorporate 'spandrel glass' with an aim to enhance the McLeod Road building façade.

These amendments are all in accordance with the recommendations of the Panel.

In addition, the applicant has indicated that he will consider revised options for the medium term, including the possible creation of a café/restaurant tenancy on the ground floor, and the deletion of the office tenancy on the upper floor. Such amendments would be the subject of a separate planning application. In the meantime, a determination in respect of the current planning application is however, the main objective.

Traffic Impact

A detailed traffic report prepared by an independent traffic consultant has been submitted as part of the subject application. The assessment concludes that:

- The parking demand is different for the three land use types in time of day, duration and when peaks are likely to occur.
- Office parking is generally based on a rate of one space for every 40sqm gross floor area. Parking demand is long term / all day and is generally between 8am and 5:30pm.
- Shop parking varies upon the location, expected rate of trade, fast or slow and size of goods. The indicative minimum level of parking is 6.1 spaces for every 100sqm of gross leasable area. The peak parking demand is Thursday night or Saturday around noon.

P11/3226 - THREE-STOREY MIXED-USE DEVELOPMENT AT 31F ARDROSS STREET, APPLECROSS (SMREC) (CONFIDENTIAL ATTACHMENT)

- The motor vehicle types generated from this redevelopment will be almost all passenger vehicles with the very occasional light commercial vehicle use.
- Pedestrian links are strong to the existing pathway facilities along all nearby roads.
- A review of the road network in the vicinity did not indicate any unacceptable risks that may arise from the increased traffic flows associated with the development.
- Sight distances around the roundabout and along the approach roads will not be diminished by the proposed development.
- The redevelopment is not expected to noticeably increase traffic flows on the adjoining road network.

The Report has been the subject of review by officers of the City's Technical Services Directorate who are generally satisfied with the proposal. However, the following comments and recommendations have been raised and are presented in tabular format below:

Comments / Recommendations	Comment/s
Customer parking space must be clearly marked.	To be condition of approval.
Parking spaces for people with disabilities are to be signed and marked according to AS2890.6.	To be condition of approval.
Demonstrate how the bin storage area will be serviced by refuse vehicles.	Bins are to be individually brought out onto the verge on collection days.
Identify where delivery vehicles are to unload/load goods.	Macleod Road verge bays and/or crossover area to car stacker may be used for this temporary function.
Provide details of bicycle storage.	Design and location considerations are to form part of further detailed design work and be to the approval of the City's Technical Services, prior to commencement of works.
Crash tested bollards are to be installed at the kerb on the south-western corner of the roundabout at the intersection of Kintail Road, Ardross Street and Macleod Road.	To be condition of approval.
A kerb ramp is to be provided from the disabled bay to the footpath.	To be condition of approval.
Details are to be provided of the proposed planter boxes / landscaping.	Design and location considerations are to form part of further detailed design work and be to the approval of the City's Technical Services, prior to commencement of works.
Maintenance, management and liability issues of water feature and other structures within the road reserve are to be addressed.	To be condition of approval with necessary legal agreements being arranged.
Drainage details showing how 'on-site' drainage will be managed are to be provided.	To be condition of approval.

**P11/3226 - THREE-STOREY MIXED-USE DEVELOPMENT AT 31F ARDROSS STREET,
APPLECROSS (SMREC) (CONFIDENTIAL ATTACHMENT)****STATUTORY AND LEGAL IMPLICATIONS**

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

FINANCIAL IMPLICATIONS

It has been agreed 'in principle' that the City will fund the on-going maintenance of the public toilet component of the proposal. Whilst the maintenance schedule and/or funds are yet to be finalised, it is anticipated that the subject facility can be added to the current schedule which is in place for existing self-cleaning public toilets located throughout the City.

STRATEGIC, RISK AND ENVIRONMENTAL MANAGEMENT IMPLICATIONS

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

POLICY IMPLICATIONSPolicy 06-PL-024 - Car Parking (Non Residential)

This Policy specifies specific parking standards for non-residential developments throughout the City of Melville. The subject application has been assessed in accordance with the parking standards relative to shop and office use.

ALTERNATE OPTIONS & THEIR IMPLICATIONS

This application requires Special Majority decision of the Council to determine. The Development Advisory Unit (DAU) recommendation is for Council to approve the development proposal, including its variations. Should the application be refused, the matter may be the subject of an Application for Review at the State Administrative Tribunal (SAT).

COMMENT

Planning approval is sought for the redevelopment of the existing dry-cleaners business on the corner of Ardross Street and Macleod Road in Applecross.

The proposal has been the subject of detailed design consideration, being a continuation of a previous redevelopment attempt by the same Applicant which was refused by the City on 17 October 2009. Whilst the previous proposal presented as a high-quality design outcome, the development was refused on the basis of plot ratio and car parking.

In recognition of the reasons for refusal, the Applicant has reconsidered their options and now presents the current proposal for Council's determination. It is noted that the development incorporates a public toilet facility which has previously been identified by Council as a required facility within the Ardross Street Precinct. Furthermore, the proposal also presents an opportunity for a public art and feature landscaping area within the road reserve to create an entry statement to the village precinct.

**P11/3226 - THREE-STOREY MIXED-USE DEVELOPMENT AT 31F ARDROSS STREET,
APPLECROSS (SMREC) (CONFIDENTIAL ATTACHMENT)**Plot Ratio

The proposal presents a total plot ratio of 1.2 (296sqm) in lieu of 0.3 (70.5sqm) permitted under the provisions of CPS5.

The City's ability to vary Plot Ratio has been a matter which the State Administrative Tribunal (SAT) has assessed in the past in relation to applications on Tweeddale Road and Queens Road properties. SAT has confirmed that the City does have the ability to vary the non-residential development requirements relating to plot ratio under CPS5. Furthermore, the new Multi-Unit Housing Code now also allows variations to residential plot ratio requirements.

Whilst representing a noticeable variation to the permitted plot ratio, the variation is supported for the following reasons:

- Due to the unique size and shape of the subject property, Council have previously supported a variation to the maximum plot ratio, including:
 - Café / Shop / Office – plot ratio of 1.05.
 - Medical Centre – plot ratio of 0.75.
 - Shop – plot ratio of 0.87.
- This proposal presents an opportunity for Council to improve the Applecross Village Centre through the incorporation of a self-cleaning public toilet as well as public art / landscaping treatment at the entrance to the village. Specifically, the City has been attempting to incorporate a self-cleaning public toilet into the area since November 2005 when a 180 signatory submission was received requesting a public toilet be installed. Whilst the idea has had wide-spread community support, during a number of survey's undertaken by the City, locations proposed so far have been met with opposition, and the long sought public conveniences have failed to be delivered.
- The proposal will deliver a solid built form outcome that complements the existing two storey development on the opposite corner. In design terms, and given the subject lot is located on a prominent corner site at the gateway to the village centre, the creation of a substantial structure in the manner proposed, is preferred..
- A plot ratio variation is supported by the Panel in view of the public contributions (i.e. entry statement and public toilet) but also to promote the best design outcome for the corner site.

Car Parking

A shortfall of three car parking bays is proposed. To address this shortfall, three car parking bays are proposed to be formally marked out within the verge area to the rear of the premises off Macleod Road.

P11/3226 - THREE-STOREY MIXED-USE DEVELOPMENT AT 31F ARDROSS STREET, APPLECROSS (SMREC) (CONFIDENTIAL ATTACHMENT)

The proposed development is supported for the following reasons:

- Whilst verge bays cannot be marked for the exclusive use of the proposed development, it nonetheless satisfies the three bay shortfall which currently exists.
- The proposed development, through the provision of bicycle parking and end-of-trip facilities, satisfies the objectives of Clause 5.8.4 of CPS5 and Council Policy 06-PL-017, both of which encourage the use of bicycle transport within commercial areas such as Applecross Village Centre. It is noted that Ardross Street is designated a 'Good Road Riding Environment' under the Department of Transport Perth Bike Maps, and as such the cycling environment is classed as highly regarded.
- The subject site is located in close proximity to a number of bus services running along Kintail Road (nearest stop being approximately 100 metres away). These bus services link the subject property to services to Perth and Fremantle as well as the Canning Bridge Rail Station.
- There are extensive areas of street parking within the Village Centre, which users of the proposed retail shop tenancy and visitors to the proposed office tenancies can avail themselves, particularly when they patronize other retail/commercial tenancies located with the Village Centre itself.
- The landscaping / public art treatment earmarked within the verge area (opposite the round-a-bout) will assist in creating an entry statement to the Village precinct. In conjunction with the built form, the landscaping works will activate the corner. Detailed design for the works will be the subject of further discussions between the City's Technical, Neighbourhood Support and Planning and Building Services.

Ten percent or 23.5sqm of landscaping is required to be provided on-site. Whilst the development proposes nil landscaping on-site, approximately 43sqm is proposed within the road reserve. Specifically, the landscaping in the reserve is proposed to be a combination of soft-and hard-landscaping treatment including vegetative planting, a water feature and public artwork.

The variation is supported as the verge landscaping will create a corner / entry statement for the village precinct. As previously outlined in this report, the landscaping / public artwork will result in a significant visual improvement to this prominent corner site at the gateway to the Village Centre.

Multiple Dwelling (Residential) - Variations

The residential component of the development has been assessed against Part 7 of the R-Codes. In this regard, it represents a number of variations to the Acceptable Development provisions relating to front and secondary street setbacks, the rear setback, minimum outdoor living area and design of parking spaces.

P11/3226 - THREE-STOREY MIXED-USE DEVELOPMENT AT 31F ARDROSS STREET, APPLECROSS (SMREC) (CONFIDENTIAL ATTACHMENT)

Whilst a number of variations apply, the majority are considered to be academic in the sense that the variations result in little to no impact to surrounding owners / occupiers. The proposed front, secondary street and rear setback variations are all considered to be such examples as the subject site is bounded by roads on two sides and a commercial building on the other.

Given the location of the site within the Community Centre Precinct, where none of the direct neighbours comprise residential properties, any variations to the R Codes requirements can be readily tolerated.

With regard to the variation to the outdoor living area, the proposal represents a shortfall of 2.3sqm. The variation is supported given the design of the balcony is such that it can be opened up to the open plan dining, lounge and kitchen area, thereby maximising the usable space. Furthermore, the balcony is north-facing which will allow direct access to winter midday sun.

Clause 7.3.4 of the R-Codes requires all car parking spaces to be concealed from the street or public place. Whilst the proposed parking spaces for the residential unit are visible from Macleod Road, it is noted that CPS5 allows commercial parking to be located / be visible from the street. The residential bays are incorporated as part of the stacker system and a screen is proposed to minimise the views of the stacker from the street. Thus, the parking is anticipated to result in a negligible impact on the streetscape and Clause 7.3.4 of the R-Codes is considered satisfied.

Amenity

The proposed development has been assessed in accordance with the amenity provisions outlined by Clause 7.8 of CPS5. It is considered that the proposal in the context of the existing development in the locality is entirely consistent with the established commercial character and orderly and proper planning for the locality. The function and nature of the use is also deemed to complement the established uses. Accordingly, the details of the proposal are considered acceptable in this context, notwithstanding the variations sought.

CONCLUSION

The development of the site in the manner proposed can take place without prejudice to the provisions of CPS5, or Council Policy. On that basis, and given it will result in the redevelopment of an important gateway site to the Applecross Village Centre, and deliver positive visual and built form outcomes, including the provision of public conveniences, it is recommended that conditional approval be granted.

P11/3226 - THREE-STOREY MIXED-USE DEVELOPMENT AT 31F ARDROSS STREET, APPLECROSS (SMREC) (CONFIDENTIAL ATTACHMENT)**OFFICER RECOMMENDATION (3226)****SPECIAL MAJORITY APPROVAL**

At 6.46pm Cr Reidy moved, seconded Cr Ceniviva -

- A) That the application for a three-storey mixed-use development at 31F Ardross Street, Applecross be approved by a Special Majority of Council pursuant to Clause 4.3 of Community Planning Scheme No.5 subject to the following Special and Standard Conditions:**

SPECIAL CONDITIONS:

- 1. Prior to the commencement of the development, the applicant is to enter into a legal agreement with the City of Melville with respect to the self-cleaning public toilet facility and its future maintenance to the satisfaction of the Manager Planning and Development.**
- 2. Prior to the commencement of the development, the applicant is to enter into a legal agreement with the City of Melville with respect to the public art, water feature and raised planter and its future maintenance to the satisfaction of the Manager Planning and Development.**
- 3. On site car parking bays must be clearly marked and made available for use prior to the occupation of the building, to the satisfaction of the Manager Planning and Development.**
- 4. Prior to the occupation of the building hereby approved, a Disabled parking bay must be provided and clearly marked out in accordance with AS2890.6. The bay shall thereafter be retained in perpetuity to the satisfaction of the Manager Planning and Development.**
- 5. Prior to the occupation of the building hereby approved, crash tested bollards, or another suitable alternative treatment, must be installed at the kerb on the south-western corner of the round-a-bout at the intersection of Kintail Road, Ardross Street and Macleod Road. The bollards shall thereafter be retained in perpetuity to the satisfaction of the Manager Planning and Development Services.**
- 6. A kerb ramp is to be provided from the disabled bay to the footpath prior to the occupation of the building to the satisfaction of the Manager Planning and Development.**

P11/3226 - THREE-STOREY MIXED-USE DEVELOPMENT AT 31F ARDROSS STREET, APPLECROSS (SMREC) (CONFIDENTIAL ATTACHMENT)

7. Prior to commencement of building works, the applicant is to provide and maintain a \$10 million dollar public liability insurance policy ('the Policy') with a reputable public insurance office to be approved by the City to ensure the City is covered for all claims under the Policy in respect of loss, damage or injury occurring to all structures contained within the road reserve in connection with the proposed development.

The Policy shall cover the City for all claims (but without limiting the generality of the foregoing) for loss or damage to property not owned by the Applicant and also for any loss or damage to property not under the physical or legal control of the Applicant and in respect of all claims relating to contractual liability and such other risks as the City might reasonably nominate at the time of entry into such Policy.

8. In accordance with the approved plans all parking bay/s, driveway/s and points of ingress and egress areas are to be permanently provided, constructed, drained, marked prior to the development first being occupied and thereafter maintained to the satisfaction of the Manager Planning and Development. The parking bay/s, driveway/s and points of ingress and egress are to be designed in accordance with the City of Melville Plan Nos 102A2-80E/1 (concrete commercial crossover), 423A2-87E (bitumen commercial crossover) unless otherwise specified by this approval. The applicant shall pay any damage that is caused to a Council facility, tree or street furniture, or where alteration to a Council facility is required, the cost of such damage or alteration. A concrete apron having width of 0.75 metres must be installed between a brick paved crossing and the bitumen surface of a road. The cost of damage to a street tree will be determined in accordance with the "Tree Amenity Valuation Formula" adopted by the Council in September 1994.
9. Prior to the occupation of the building all unused crossover(s) are to be removed and the kerbing and verge must be reinstated at the applicant/owner's full expense, and to the satisfaction of the Manager Planning and Development.
10. All stormwater and drainage run off to be contained on site.
11. Prior to the commencement of building works, a detailed landscaping and reticulation plan shall be submitted to and approved in writing by the City. The landscaping plan is to include details for the verge landscaping and bicycle parking area directly in-front of the subject site, as marked in 'RED' on the approved plans. The approved landscaping and reticulation plan shall be fully implemented prior to the first commencement of operation or occupation of the development and maintained thereafter to the satisfaction of the Manager Planning and Development.

**P11/3226 - THREE-STOREY MIXED-USE DEVELOPMENT AT 31F ARDROSS STREET,
APPLECROSS (SMREC) (CONFIDENTIAL ATTACHMENT)****STANDARD CONDITIONS:**

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

ADVICE NOTES:

1. With regard to Special Condition 1, legal agreement/s may entail the registering of an Easement in Gross on the Certificate of Title to the benefit of the City of Melville to allow unlimited use of, and management of the portion of land comprising the public toilet. The easement in gross is to be provided in favour of the City of Melville and all costs for the registration and preparation of documentation is to be paid by the applicant.
2. With regard to Special Condition 7, the applicant shall advise the City of any changes to the Policy or any cancellation of the policy and, the City shall not be liable for any payments whatsoever (including any excesses on claims) with respect to any policy held.
3. This is a Planning Approval only and does not obviate the responsibility of the applicant/owner to comply with all relevant building, health and engineering requirements of the Council or with any other requirements of Community Planning Scheme No. 5. Prior to the commencement of any works a Building Licence may be required.
4. Any roof mounted or freestanding plant or equipment such as plumbing pipes are to be located and/or screened so as not to be visible from the surrounding street(s) to the satisfaction of the Manager Planning and Development Services.

**P11/3226 - THREE-STOREY MIXED-USE DEVELOPMENT AT 31F ARDROSS STREET,
APPLECROSS (SMREC) (CONFIDENTIAL ATTACHMENT)**

5. The premises is to be provided with a refuse storage area which:
- a. Is provided with a tap and connected to an adequate supply of water;
 - b. Is of sufficient size to accommodate all receptacles used on the premises but in any event having a floor area not less than a size approved by the City's Coordinator of Health Services;
 - c. Constructed of brick, concrete, corrugated compressed fibre cement sheet or other material of suitable thickness approved by the City's Co-ordinator of Health Services;
 - d. Having walls not less than 1.5 metres in height and having an access way of not less than one metre in width and fitted with a self closing gate;
 - e. Containing a smooth and impervious floor –
 - i. Of not less than 75 millimetres in thickness; and
 - ii. Which is evenly graded to an approved liquid refuse disposal system; and
 - f. Which is easily accessible to allow for the removal of the receptacles.

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

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

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

7. A separate application for Planning Approval and Signs Licence is required for all signage.
8. The building shall not be used for purposes other than 'Shop', 'Office' and 'Residential' without the applicant seeking separate Planning Approval (i.e. Application for Change of Use).
- B) That the residents who objected to the proposal be notified in writing of A) above.

P11/3226 - THREE-STOREY MIXED-USE DEVELOPMENT AT 31F ARDROSS STREET, APPLECROSS (SMREC) (CONFIDENTIAL ATTACHMENT)Amendment

At 6.47pm Cr Barton moved, seconded Cr Wieland -

That an additional condition be added to the Officers Recommendation as Special Condition No. 12 as follows -

12 Prior to commencement of the development, a preliminary investigation for soil and groundwater contamination must be completed in accordance with Department of Environment and Conservation guidelines and submitted to the City of Melville. Should contamination be identified, the owner of the property must report the site to the Department of Environment and Conservation.

At 6.48pm the Mayor submitted the amendment, which was declared **CARRIED (12/0)**

Reasons for Amendment

It is understood that the subject site was previously utilised as a petrol station. Although the subject site has not been listed as a contaminated site by the Department of Environment and Conservation, it is considered that there may be potential contamination of the soil and groundwater below the site which requires further investigation prior to commencement of the development. Should contamination be identified through this investigation, the owner is to report the site to the Department of Environment and Conservation.

COUNCIL RESOLUTION (3226)**SPECIAL MAJORITY APPROVAL**

At 6.52pm the Mayor submitted the substantive motion as amended -

- A) That the application for a three-storey mixed-use development at 31F Ardross Street, Applecross be approved by a Special Majority of Council pursuant to Clause 4.3 of Community Planning Scheme No.5 subject to the following Special and Standard Conditions:**

SPECIAL CONDITIONS:

- 1. Prior to the commencement of the development, the applicant is to enter into a legal agreement with the City of Melville with respect to the self-cleaning public toilet facility and its future maintenance to the satisfaction of the Manager Planning and Development.**
- 2. Prior to the commencement of the development, the applicant is to enter into a legal agreement with the City of Melville with respect to the public art, water feature and raised planter and its future maintenance to the satisfaction of the Manager Planning and Development.**
- 3. On site car parking bays must be clearly marked and made available for use prior to the occupation of the building, to the satisfaction of the Manager Planning and Development.**

**P11/3226 - THREE-STOREY MIXED-USE DEVELOPMENT AT 31F ARDROSS STREET,
APPLECROSS (SMREC) (CONFIDENTIAL ATTACHMENT)**

4. Prior to the occupation of the building hereby approved, a Disabled parking bay must be provided and clearly marked out in accordance with AS2890.6. The bay shall thereafter be retained in perpetuity to the satisfaction of the Manager Planning and Development.
5. Prior to the occupation of the building hereby approved, crash tested bollards, or another suitable alternative treatment, must be installed at the kerb on the south-western corner of the round-a-bout at the intersection of Kintail Road, Ardross Street and Macleod Road. The bollards shall thereafter be retained in perpetuity to the satisfaction of the Manager Planning and Development Services.
6. A kerb ramp is to be provided from the disabled bay to the footpath prior to the occupation of the building to the satisfaction of the Manager Planning and Development.
7. Prior to commencement of building works, the applicant is to provide and maintain a \$10 million dollar public liability insurance policy ('the Policy') with a reputable public insurance office to be approved by the City to ensure the City is covered for all claims under the Policy in respect of loss, damage or injury occurring to all structures contained within the road reserve in connection with the proposed development.

The Policy shall cover the City for all claims (but without limiting the generality of the foregoing) for loss or damage to property not owned by the Applicant and also for any loss or damage to property not under the physical or legal control of the Applicant and in respect of all claims relating to contractual liability and such other risks as the City might reasonably nominate at the time of entry into such Policy.

8. In accordance with the approved plans all parking bay/s, driveway/s and points of ingress and egress areas are to be permanently provided, constructed, drained, marked prior to the development first being occupied and thereafter maintained to the satisfaction of the Manager Planning and Development. The parking bay/s, driveway/s and points of ingress and egress are to be designed in accordance with the City of Melville Plan Nos 102A2-80E/1 (concrete commercial crossover), 423A2-87E (bitumen commercial crossover) unless otherwise specified by this approval. The applicant shall pay any damage that is caused to a Council facility, tree or street furniture, or where alteration to a Council facility is required, the cost of such damage or alteration. A concrete apron having width of 0.75 metres must be installed between a brick paved crossing and the bitumen surface of a road. The cost of damage to a street tree will be determined in accordance with the "Tree Amenity Valuation Formula" adopted by the Council in September 1994.

**P11/3226 - THREE-STOREY MIXED-USE DEVELOPMENT AT 31F ARDROSS STREET,
APPLECROSS (SMREC) (CONFIDENTIAL ATTACHMENT)**

9. Prior to the occupation of the building all unused crossover(s) are to be removed and the kerbing and verge must be reinstated at the applicant/owner's full expense, and to the satisfaction of the Manager Planning and Development.
10. All stormwater and drainage run off to be contained on site.
11. Prior to the commencement of building works, a detailed landscaping and reticulation plan shall be submitted to and approved in writing by the City. The landscaping plan is to include details for the verge landscaping and bicycle parking area directly in-front of the subject site, as marked in 'RED' on the approved plans. The approved landscaping and reticulation plan shall be fully implemented prior to the first commencement of operation or occupation of the development and maintained thereafter to the satisfaction of the Manager Planning and Development.
12. *Prior to commencement of the development, a preliminary investigation for soil and groundwater contamination must be completed in accordance with Department of Environment and Conservation guidelines and submitted to the City of Melville. Should contamination be identified, the owner of the property must report the site to the Department of Environment and Conservation.*

STANDARD CONDITIONS:

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

ADVICE NOTES:

1. With regard to Special Condition 1, legal agreement/s may entail the registering of an Easement in Gross on the Certificate of Title to the benefit of the City of Melville to allow unlimited use of, and management of the portion of land comprising the public toilet. The easement in gross is to be provided in favour of the City of Melville and all costs for the registration and preparation of documentation is to be paid by the applicant.
2. With regard to Special Condition 7, the applicant shall advise the City of any changes to the Policy or any cancellation of the policy and, the City shall not be liable for any payments whatsoever (including any excesses on claims) with respect to any policy held.

**P111/3226 - THREE-STOREY MIXED-USE DEVELOPMENT AT 31F ARDROSS STREET,
APPLECROSS (SMREC) (CONFIDENTIAL ATTACHMENT)**

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

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

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

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

**P11/3226 - THREE-STOREY MIXED-USE DEVELOPMENT AT 31F ARDROSS STREET,
APPLECROSS (SMREC) (CONFIDENTIAL ATTACHMENT)**

- 7. A separate application for Planning Approval and Signs Licence is required for all signage.**
 - 8. The building shall not be used for purposes other than 'Shop', 'Office' and 'Residential' without the applicant seeking separate Planning Approval (i.e. Application for Change of Use).**
- B) That the residents who objected to the proposal be notified in writing of A) above.**

At 6.52pm the Mayor declared the motion

CARRIED BY SPECIAL MAJORITY (12/0)

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

P11/3224 - FINAL ADOPTION OF AMENDMENT NO 60 TO COMMUNITY PLANNING SCHEME NO 5 – DELETION OF THE PRECINCT DEVELOPMENT PROVISIONS FOR TWO STOREY (OR MORE) DEVELOPMENTS ON BATTLE-AXE LOTS (REC)

Ward	:	Living Areas: AR1 – Ardross, AT2 – Attadale, BC1 – Bicton, BC3 – Bicton, BC4 – Bicton, BT3 – Brentwood, ML1 – Melville, MP1- Mt Pleasant, MY1 – Myaree, P1 – Palmyra and W1 – Willagee.
Category	:	Strategic
Application Number	:	CPS5-60
Property	:	All properties zoned Living Area: AR1 – Ardross, AT2 – Attadale, BC1 – Bicton, BC3 – Bicton, BC4 – Bicton, BT3 – Brentwood, ML1 – Melville, MP1- Mt Pleasant, MY1 – Myaree, P1 – Palmyra and W1 – Willagee.
Proposal	:	Amend Part 4 of CPS No. 5 to remove the Precinct Development Requirements for two Storey (or more) developments on Battle-Axe Lots
Applicant	:	City of Melville
Owner	:	Not applicable
Disclosure of any Interest	:	No Officer involved in the preparation of this report has a declarable interest in this matter.
Responsible Officer	:	Peter Prendergast Manager Planning and Development Services
Previous Items	:	Not applicable

AUTHORITY / DISCRETION

DEFINITION

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

P11/3224 - FINAL ADOPTION OF AMENDMENT NO 60 TO COMMUNITY PLANNING SCHEME NO 5 – DELETION OF THE PRECINCT DEVELOPMENT PROVISIONS FOR TWO STOREY (OR MORE) DEVELOPMENTS ON BATTLE-AXE LOTS (REC)**KEY ISSUES / SUMMARY**

- Part 4 of the Community Planning Scheme No. 5 (CPS5) provides Precinct Development Requirements (Provisions) for two storey (or more) development on battle-axe lots to 11 Living Area Precincts of the City.
- It is understood that these Provisions were introduced to ameliorate the impacts of increased development potential provided by the R-Codes at the R12.5 – R25 densities, in a number of Living Area Precincts (predominantly north of Leach Highway), however, since their introduction, the R-Codes have been reviewed to improve Privacy requirements.
- It is noted that the battle-axe provisions do not apply to Grouped Dwelling developments constructed on rear survey-strata lots and this is considered to be an anomaly.
- There have been a number of occasions recently where the Council has granted approval to developments which vary the battle-axe provisions for two storey development.
- The Council at its Special Meeting on 9 November 2010 resolved to revoke two policies which replicated these provisions (AT1 – Attadale and A1 – Applecross Living Area Precincts) and in doing so accepted that the provisions were no longer required.
- The Council resolved at its Ordinary Meeting of 21 December 2010 to initiate Amendment 60 to amend CPS5 by deleting the provisions relating to two storey (or more) development on rear battle-axe lots from all 11 Living Area Precincts in the City.
- The Amendment was advertised for 42 days in accordance with the Town Planning Regulations concluding on 6 June 2011. No submissions were received.
- It is recommended that the Council adopts the Amendment for finalisation.

BACKGROUND

It is understood that the provisions relating to two storey (or more) single dwelling developments on battle-axe lots were introduced to ameliorate the impacts of increased development potential provided by the R-Codes at the R12.5 – R25 densities.

Following consideration of a two storey dwelling on a battle-axe lot at 102A Kitchener Road Melville in July 2007, the Council requested that a Draft Policy be prepared to relax the battle-axe requirements of CPS5 where development proposed is consistent with the Acceptable Development provisions of the R-Codes.

The matter was outlined in a presentation to the Council at an Elected Member's Workshop on 2 September 2008. It was indicated at this workshop that a review of the existing policies for the Living Area Precincts – A1 - Applecross and AT1 – Attadale could be undertaken; however, the relaxation of the battle-axe requirements in respect of the remaining Living Area Precincts across the City would require a Scheme Amendment as they are an intrinsic element of CPS5. It was considered at the time of the workshop that given the low number of applications received which sought variations to the battle-axe lot requirements, the Council would continue to determine each application based on their individual merits.

P11/3224 - FINAL ADOPTION OF AMENDMENT NO 60 TO COMMUNITY PLANNING SCHEME NO 5 – DELETION OF THE PRECINCT DEVELOPMENT PROVISIONS FOR TWO STOREY (OR MORE) DEVELOPMENTS ON BATTLE-AXE LOTS (REC)

The Council has determined a number of applications for two storey development under the battle-axe development provisions. It is noted that the details of these developments satisfied the provisions of the R-Codes and if the developments had been proposed on rear survey strata lots rather than on battle-axe lots, the additional battle-axe lot development provisions would not have applied. This is considered to be an anomaly as the built outcome associated with either lot type is one and the same.

Given this inconsistency and as there is a growing trend in the number of applications for developments of this nature on battle-axe lots, a proposal to initiate Scheme Amendment 60 was considered by the Council at its Ordinary Meeting in December 2010, and it was resolved:

1. *That pursuant to Part 5 of the Planning and Development Act 2005, the Council Resolve to initiate Amendment No. 60 to Community Planning Scheme No. 5 to delete the Two Storey (or more) Precinct Development Requirements for Battle-axe lots contained in all applicable Precincts under Part 4 of the Scheme.*
2. *That His Worship the Mayor and the Chief Executive Officer be authorised to endorse the Amendment document.*
3. *That the City of Melville forward a copy of the Amendment documentation to:*
 - a) *the Environmental Protection Authority in accordance with Section 81 of the Planning and Development Act 2005.*
 - b) *the Western Australian Planning Commission for information.*
4. *That on receipt of advice from the Environmental Protection Authority under Section 48a of the Environmental Protection Act indicating that the Amendment need not be subject to an environmental assessment, the Amendment be advertised in accordance with the Town Planning Regulations for not less than forty-two (42) days.*

Scheme Provisions

MRS Zoning	:	Urban
CPS 5 Zoning	:	Living Areas: AR1 – Ardross, AT2 – Attadale, BC1 – Bicton, BC3 – Bicton, BC4 – Bicton, BT3 – Brentwood, ML1 – Melville, MP1- Mt Pleasant, MY1 – Myaree, P1 – Palmyra and W1 – Willagee.
R-Code	:	R12.5 – R25
Use Type	:	Not applicable
Use Class	:	Not applicable

Site Details

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

P11/3224 - FINAL ADOPTION OF AMENDMENT NO 60 TO COMMUNITY PLANNING SCHEME NO 5 – DELETION OF THE PRECINCT DEVELOPMENT PROVISIONS FOR TWO STOREY (OR MORE) DEVELOPMENTS ON BATTLE-AXE LOTS (REC)

PUBLIC CONSULTATION/COMMUNICATION

Amendment No. 60 was advertised for public comment for a period of 42 days concluding 6 June 2011 via an advertisement in the Melville Times. No submissions were received.

REFERRALS TO GOVERNMENT AGENCIES

In accordance with the Council resolution a copy of the Scheme Amendment No. 60 was sent to the Western Australian Planning Commission and the Environmental Protection Authority and both Agencies have supported the advertising of the Amendment.

STATUTORY AND LEGAL IMPLICATIONS

Part 5 of the Planning and Development Act 2005 allows the Council to initiate Amendments to Town Planning Schemes. Once initiated, the Council must advertise the Amendment, consider submissions and forward the proposal to the Hon. Minister for Planning (The Minister) for determination.

FINANCIAL IMPLICATIONS

The time taken to determine applications which fall foul of the additional battle-axe lot development provisions is a financial implication worthy of consideration. This financial implication has an impact on both the City and customers of the Planning Service.

STRATEGIC, RISK AND ENVIRONMENTAL MANAGEMENT IMPLICATIONS

This proposed Amendment to CPS5 will remove an existing anomaly within CPS5 and will allow for development to be consistent with the requirements of the Residential Design Codes thereby meeting community expectations.

Experience in dealing with the previous Development Applications that have required assessment against the battle-axe development requirements has demonstrated that whilst variations to the additional battle-axe lot development provisions were sought, in the majority of cases no concerns were raised by the owners of adjoining properties and the proposal was acceptable in terms of impacts upon the amenity of these properties.

Whilst reliance on the use of CPS5 battle-axe lot development provisions has not been tested on appeal to the State Administrative Tribunal (SAT), it is considered that given the anomaly that exists in respect of Grouped Dwelling development, an appeal to SAT over the refusal of a development proposal on that basis would be difficult to defend.

POLICY IMPLICATIONS

None applicable

P11/3224 - FINAL ADOPTION OF AMENDMENT NO 60 TO COMMUNITY PLANNING SCHEME NO 5 – DELETION OF THE PRECINCT DEVELOPMENT PROVISIONS FOR TWO STOREY (OR MORE) DEVELOPMENTS ON BATTLE-AXE LOTS (REC)**ALTERNATE OPTIONS & THEIR IMPLICATIONS**

The Council could choose not to adopt the Amendment however this would be inconsistent with the Council's decisions to consistently approve development applications involving variations to the battle-axe provisions. Furthermore, the initiation of the proposed amendment is consistent with the Council's decision to revoke Council Policies 06-PL-009 and 06-PL-010 that relate to 'AT1 - Attadale and A1 - Applecross additional Development Requirements'.

COMMENTS

Elected Members are aware of the anomalies that exist with regard to this issue, having previously considered the deletion of two Council Policies in November 2010.

The anomalies result in the development requirements in respect of single house proposals on battle-axe lots being more onerous than those for the development of grouped dwellings on rear survey-strata lots.

The following specific additional development requirements of CPS5 will be removed should the Scheme Amendment be endorsed.

Maximum plot ratio – 0.4 of effective lot area:

The R-Codes do not contain specific plot ratio requirements for two or more storey single houses. Despite this the building bulk and scale of new developments is controlled via other R-Codes provisions such as height, setbacks, overshadowing and open space. In cases where an adverse amenity impact may result, the Council has the ability to negotiate amendments to development proposals or refuse them pursuant to Cl. 7.8 of CPS5. This is notwithstanding compliance with the Acceptable Development provisions of the R-Codes. It is considered that the amenity provisions under Cl. 7.8 of CPS5 and the R-Code requirements suitably restrict building bulk and reasonably protect adjacent residential amenity, without the need for reliance on the separate battle-axe lot development provisions currently contained within CPS5.

The floor area of any dwelling above ground floor shall be limited to a maximum of 30% of the gross floor area:

Limiting the upper floor area to a proportion of gross floor area is above and beyond the requirements of the R-Codes which already control building bulk. Furthermore, there are no similar restrictions on the upper floor area for Grouped Dwellings on rear survey-strata lots under the R-Codes or CPS5.

Buildings that comply with the requirements of the R-Codes and amenity provisions of CPS5 are considered to appropriately address issues relating to building bulk and any adverse impacts on the amenity of occupiers of neighbouring properties.

P11/3224 - FINAL ADOPTION OF AMENDMENT NO 60 TO COMMUNITY PLANNING SCHEME NO 5 – DELETION OF THE PRECINCT DEVELOPMENT PROVISIONS FOR TWO STOREY (OR MORE) DEVELOPMENTS ON BATTLE-AXE LOTS (REC)**Side and rear setbacks to the second storey shall be a minimum of four metres and related**

The purpose and intent of side and rear setback requirements is to protect the visual and acoustic privacy of adjacent properties and restrict building bulk impacts upon the adjoining properties. It is considered that the R-Codes setback requirements are satisfactory in addressing these impacts and as such the additional setback provisions contained within the battle-axe lot development provisions in Part 4 of CPS5 may be set aside.

Side for rear setback exchange

The exchange requirements relative to side and rear boundaries are a remnant of the former 1991 Residential Planning Codes which provided for this to occur. The current R-Codes suitably address this matter by requiring a rear setback for development on land up to (and including) the R15 Code, beyond which rear setbacks do not apply. These R-Code provisions act to safeguard residential amenity and as such, the removal of this particular Scheme requirement is supported.

The rear ground floor setback for all two storey development shall be a minimum of three metres with an average of six metres

This rear setback provision was designed to ensure developments incorporated adequate levels of private open space, and to ensure sufficient levels of separation between them and adjoining properties in the interests of managing building bulk impacts and safeguarding privacy levels for existing (and proposed) residents.

It is considered that the R-Codes include the necessary provisions to manage these impacts, including those related to boundary setbacks, open space and privacy. As such, in technical terms the removal of this particular Scheme requirement is supported.

Two storey development (or more) shall only be permitted where two abutting lots already have two storey developments

The retention of this clause is not considered necessary as the impact that a two storey development proposal has on the occupiers of neighbouring properties can be successfully managed on a case by case basis, using the R Code development criteria. Good planning practice dictates that applications for development approval are treated on their individual merits. To follow a policy of only allowing two storey development on rear battle-axe lots where at least two of the adjoining lots are already developed in that manner conflicts with that approach.

Clause 7.8 of CPS5 Considerations

Elected Members are reminded that Clause 7.8 of CPS5 contains a number of specific amenity provisions which may be relied upon in the assessment and determination of development proposals, including those in respect of two storey developments on rear battle-axe lots.

P11/3224 - FINAL ADOPTION OF AMENDMENT NO 60 TO COMMUNITY PLANNING SCHEME NO 5 – DELETION OF THE PRECINCT DEVELOPMENT PROVISIONS FOR TWO STOREY (OR MORE) DEVELOPMENTS ON BATTLE-AXE LOTS (REC)

In effect these provisions provide additional control for the Council, above and beyond that provided by the R-Codes. The existence of the Clause 7.8 provisions assists the Council in managing the adverse impacts of development proposals in the interests of residential amenity. It is considered that in planning terms, the R Code requirements, bolstered by the Clause 7.8 amenity provisions, provide the necessary controls for this to occur, without reliance on the additional battle-axe lot development provisions.

CONCLUSION

It is concluded that the R-Codes, coupled with the amenity provisions contained within Clause 7.8 of CPS5, provide the necessary controls to manage the impacts of two storey (or more) development on battle-axe lots throughout the City. The anomalies that currently exist in respect of the two storey or more development of rear battle-axe lots when compared to Grouped Dwelling proposals on rear survey strata lots, is one that should be addressed via the amendment to CPS5 now sought. Approval to adopt this amendment is therefore recommended.

OFFICER RECOMMENDATION & COUNCIL RESOLUTION (3224) FINAL ADOPTION

- 1. That pursuant to Part 5 of the *Planning and Development Act 2005*, the Council resolve to adopt Amendment No. 60 to Community Planning Scheme No. 5 for final approval to delete the Two Storey (or more) Precinct Development Requirements for battle-axe lots contained in all applicable Precincts under Part 4 of the Scheme.**
- 2. That His Worship the Mayor and the Chief Executive Officer be authorised to execute the Amendment document and have the Common Seal affixed.**
- 3. That the Amendment documentation, including the comments received from the Environmental Protection Authority, be forwarded to the Minister for Planning for final approval.**

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

CARRIED EN BLOC (11/1)

**P11/3225 – FINAL ADOPTION OF URBAN PLANNING POLICIES (STAGE 3 REVIEW)
(REC) (ATTACHMENT)**

Ward : All
 Category : Operational
 Subject Index : Policy & Policy Development
 Customer Index : City of Melville
 Disclosure of any Interest : No Officer involved in the preparation of this report has a declarable interest in this matter.
 Previous Items : Item P11/3195 Ordinary Meeting of the Council held 19 April 2011 – Stage 3 Review of Urban Planning Policies.
 Responsible Officer : Peter Prendergast
 Manager Planning and Development Services

AUTHORITY / DISCRETION

DEFINITION

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

**P11/3225 – FINAL ADOPTION OF URBAN PLANNING POLICIES (STAGE 3 REVIEW)
(REC) (ATTACHMENT)****KEY ISSUES / SUMMARY**

- Community Planning Scheme No. 5 (CPS5) allows the Council to prepare and adopt planning policies and undertake regular policy reviews.
- Planning policies supplement CPS5 provisions and the requirements of the Residential Design Codes (R-Codes).
- The application of planning policies provides a sound basis for planning decisions and improves the validity of decisions when used in determining applications. Provided a policy is soundly based, it has similar status to CPS5 provisions when under review in the State Administrative Tribunal.
- This report relates to the third stage of the Urban Planning Policy Review and pertains to three policies which were considered at the Ordinary Meeting of the Council held 19 April 2011 and advertised for 21 days in accordance with the Council resolution, from 17 May 2011 until 7 June 2011.
- Ten submissions and two petitions were received in relation to the proposed Telecommunications Facilities and Communications Equipment policy.
- It is recommended that the Council adopt the Crime Prevention Through Environmental Design of Buildings, Telecommunications Facilities and Communications Equipment and Height of Buildings policies as advertised subject to minor amendments.

BACKGROUND

CPS5 allows the Council to prepare and adopt planning policies to supplement CPS5 provisions and the requirements of the R-Codes.

Planning policies which address technical planning issues need to be adopted under CPS5 and require formal advertising for public comment for 21 days. Following consultation, the policies need to be adopted by the Council.

At its Ordinary Meeting on 19 April 2011, the Council resolved to initiate the third stage of the Urban Policy Review as follows:

A *That the Council resolve pursuant to Clause 9.6(b) of Community Planning Scheme No. 5 to adopt the following Draft Council Policies for public consultation for a period of 21 days:*

- (i) Crime Prevention Through Environmental Design*
- (ii) Telecommunications Facilities and Communications Equipment*

with the insertion of a further clause –

"13. Notification to Councillors

**P11/3225 – FINAL ADOPTION OF URBAN PLANNING POLICIES (STAGE 3 REVIEW)
(REC) (ATTACHMENT)**

All applications for the installation of telecommunication towers upon receipt are to be brought to the attention of Elected Members."

(iii) Height of Buildings

B *That the Council resolve pursuant to Clause 9.6(e) of Community Planning Scheme No. 5 to place a notice in a local newspaper to advise that the following Policies have been revoked from (date):*

- (i) PL-28-003 Development of Telecommunication Tower and Associated Infrastructure*
- (ii) PL-06-002 Communications Equipment*
- (iii) PL-06-030 Lofts*
- (iv) PL-06-019 Pergolas*
- (v) PL-06-022 Strata Title Fence Requirements*
- (vi) PL-06-018 Outbuildings and Habitable Rooms*
- (vii) PL-06-035 Aesthetics*

C *That the draft Amenity policy be deferred for consideration at a later meeting of the Council.*

The three policies outlined in resolution A above were advertised for 21 days. The review of these three policies is the subject of this report.

The seven policies outlined in resolution B above were revoked and are no longer operational.

As per resolution C above, the draft Amenity policy was considered as part of the Stage 4 policy review.

DETAIL**Community Planning Scheme No. 5 Requirements**

Clause 9.6(g) of CPS5 requires the Council to review planning policies adopted under CPS5 on an annual basis. Since the gazettal of the Scheme in 1999, various policies have been adopted and up to three reviews (of some policies) have taken place.

Whilst annual reviews have not always been undertaken in accordance with CPS5, legal advice indicates that the present policies are still applicable, however until they are reviewed they may not be given as much weight in an appeal as a recently reviewed policy.

Accordingly, a comprehensive review of all policies is required and revisions have been presented to the Council over recent months.

**P11/3225 – FINAL ADOPTION OF URBAN PLANNING POLICIES (STAGE 3 REVIEW)
(REC) (ATTACHMENT)**Policy Review

This report pertains to the final adoption of the following policies:

- Crime Prevention Through Environmental Design of Buildings
- Telecommunications Facilities and Communications Equipment
- Height of Buildings

PUBLIC CONSULTATION/COMMUNICATION

Public consultation is required for the adoption of all planning policies in accordance with Clause 9.6 of CPS5.

As a result of Council's resolution of 19 April 2011, public consultation was undertaken by notice in the Melville Times Newspaper on 17 May 2011, providing for a 21 day public submission period expiring on 7 June 2011.

**P11/3225 – FINAL ADOPTION OF URBAN PLANNING POLICIES (STAGE 3 REVIEW)
(REC) (ATTACHMENT)**

Submissions

Ten submissions were received during the advertising period, all relating to the draft Telecommunications Facilities and Communications Equipment policy. A summary of the submissions is provided below:

Summary of submissions	Comment	Uphold/Dismiss
<p>A requirement to install a crane or cherry picker as part of the application should be included.</p>	<p>The draft policy has been amended to state that where the proposal may have the potential to result in significant adverse impacts upon the amenity of surrounding residents, the City will require the installation of a temporary structure on the site for an agreed period during the formal public consultation period. This will enable a clear indication of the proposed height impact that any installation might have.</p> <p>The draft policy has also been amended to require the submission of graphic illustrations including photomontages or photographic perspectives to show the type of facility proposed and its relationship with adjacent development.</p>	<p>Uphold</p>
<p>The amendment does not go far enough to adequately protect areas such as Point Walter and other local reserves.</p>	<p>The City has to balance the need to safeguard areas from the adverse impacts of telecommunications development, whilst allowing Telecommunications Operators the ability to provide adequate telecommunications coverage to the local community. The policy cannot prohibit the installation of facilities on local reserves although within Part 3, it does state that within reserves there will be a presumption against telecommunications development unless it can be demonstrated that there will be no adverse impact on the landscape character or visual amenity of the area.</p>	<p>Dismiss</p>

Should the Council resolve to adopt the draft policies, a notice is to be placed in a newspaper circulating in the district to satisfy the provisions of CPS5.

**P11/3225 – FINAL ADOPTION OF URBAN PLANNING POLICIES (STAGE 3 REVIEW)
(REC) (ATTACHMENT)***Petitions*

At the Ordinary Council Meeting of 19 April 2011 it was acknowledged that two petitions had been received, the first signed by 52 residents and two non-residents and another signed by 4,198 residents and 305 non-residents. These petitions state:

“We, the undersigned, all being members of Attadale Playgroup Inc., do humbly pray that approval for the proposed Telstra 46M High Impact Mobile Phone Tower be located at Point Walter be denied.

The location of this tower in an “A Class Reserve” will be less than 300M from our playgroup, a community sensitive location, and will greatly impact on the surrounding area and lead to loss of amenity for the community. Attadale Playgroup Inc. requests the City of Melville recognise our concerns and adopt a precautionary approach by refusing this development application and protecting our community open space at Point Walter.”

And

“We, the undersigned, all being Electors of the City of Melville, do humbly pray that the City of Melville oppose the application for approval to commence development – Telstra Mobile Phone Base Station – Point Walter Golf Course – No. 1 (Lot 1 1241) Stock Road, Bicton WA 6157.

A monopole cell phone tower of 46M will dramatically impact on the aesthetic value of this A Class Reserve and is inconsistent with the character of the neighbourhood surrounding. It will impact on residents, schools, playgroups, golfers and the community as a whole. This is a community sensitive location in which a precautionary approach must be adopted. We request the City of Melville strongly object to this tower and protect against visual blight and damage to our community open space.”

At its meeting of 19 April 2011, the Council resolved to acknowledge the petitions and advise the lead petitioners that the Telstra application had been withdrawn. Furthermore, it was resolved that the matters raised by the petitioners would be taken into consideration as part of the review of the Policy the subject of this report.

CONSULTATION WITH OTHER AGENCIES / CONSULTANTS

Clause 9.6(b) (ii) of CPS5 requires the Council to advise the Western Australian Planning Commission (WAPC) of any proposed policy which affects the interests of the Commission. It is noted that as the proposed policies and modifications do not have regional significance, the WAPC is not to be consulted in this regard.

**P11/3225 – FINAL ADOPTION OF URBAN PLANNING POLICIES (STAGE 3 REVIEW)
(REC) (ATTACHMENT)**

STATUTORY AND LEGAL IMPLICATIONS

The review of the Council's planning policies will improve the validity of Council policies in review situations by the State Administrative Tribunal. Once finally adopted by the Council, the reviewed policies in effect carry the power and weight of CPS5.

FINANCIAL IMPLICATIONS

There are no financial implications which result from this report other than advertising costs for consultation and adoption purposes.

STRATEGIC, RISK AND ENVIRONMENTAL MANAGEMENT IMPLICATIONS

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

POLICY IMPLICATIONS

The implication of this and subsequent reports relative to the policy review is that the Council will have a revised set of Planning and Building policies to guide future development in the City.

ALTERNATE OPTIONS AND THEIR IMPLICATIONS

The Council could elect not to adopt the proposed policy changes or may make changes to the proposed policies. It should be noted that any modifications to the policies previously advertised, dependent upon the extent of the changes, may require re-advertising.

It is inappropriate not to review the policies as their relevance in the consideration of development matters would be diminished over time.

**P11/3225 – FINAL ADOPTION OF URBAN PLANNING POLICIES (STAGE 3 REVIEW)
(REC) (ATTACHMENT)****COMMENTS**

Since initial consideration by the Council in April 2011, it is proposed to modify the draft policies as follows:

Telecommunications Facilities and Communications Equipment Policy

Minor amendments to Part 6, 7 and 10 of the draft policy are proposed as detailed below.

It is proposed under the provisions of Part 6 of the Draft Policy that the number of individual installations on any dwelling should be increased from one to two. This change reflects the realistic need for the majority of households to have a television antenna and a separate satellite dish. The provision of more than two installations would require planning approval.

In respect of Part 7 it is proposed to increase the permissible height of equipment installed on non-residential buildings and include a requirement to screen equipment located more than three metres above ground level. The proposed amendment to height will allow installations to project one metre above the overall height of the building. This change is proposed as buildings designed with flat roofs would always require planning permission for even a modest sized antenna, as any installation would automatically extend above and beyond the existing maximum building height. The one metre allowance above the overall height of the building is therefore considered to be appropriate.

Part 10 of the Draft Policy relates to the application requirements for telecommunications infrastructure. It was outlined in the submissions received that residents would like further visual aids to be required when a telecommunications tower is proposed such as photomontages and a cherry picker or crane. Part 10 has been amended to require the submission of photomontages or photographic perspectives with all applications for telecommunications infrastructure. With regard to the requirement to install a cherry picker or crane, an additional criterion is proposed in Part 10 as follows:

In instances where the City considers the proposal may have the potential to result in significant adverse impacts upon the amenity of surrounding residents, the City shall require the installation of a temporary structure on the site for an agreed period during the formal public consultation period, to indicate the proposed height of the telecommunications facility or communications equipment.

3225 Telecommunications Facilities and Communications Equipment Policy

**P11/3225 – FINAL ADOPTION OF URBAN PLANNING POLICIES (STAGE 3 REVIEW)
(REC) (ATTACHMENT)**Crime Prevention Through Environmental Design of Buildings Policy

Minor editorial modifications are proposed, to make it clear that the policy provisions apply to the design of buildings only, and that the assessment of the design of public spaces, reserves and subdivision should take into account the WAPC's Designing Out Crime guidelines.

[3225 Crime Prevention Through Environmental Design of Buildings Policy](#)Height of Buildings Policy

Minor clarifications are proposed to the draft Height of Buildings policy including the introduction of three new definitions pertaining to 'wall height', 'skillion roof' and 'pitched roof'. These new definitions are introduced to provide greater clarity in the assessment of height for different building designs.

Modifications to the draft definitions relating to 'eave height' and 'absolute building height' are also proposed to denote that the height to such features is measured from natural ground level.

Clauses 2.2 and 2.3 have also been modified to clarify the differences between the assessment of height between buildings with traditional pitched roofs and those with concealed and/or skillion type roof arrangements.

Minor formatting changes are also proposed.

[3225 Height of Buildings Policy](#)**CONCLUSION**

It is recommended that the advertised policies be adopted by the Council in accordance with Clause 9.6(b) of CPS5 subject to the amendments detailed above.

OFFICER RECOMMENDATION (3225)**FINAL ADOPTION**

At 6.54pm Cr Robartson moved, seconded Cr Subramaniam -

- A** That the Council resolve pursuant to Clause 9.6(b) of Community Planning Scheme No. 5 to adopt the following amended policies:
- i. Telecommunications Facilities and Communications Equipment Policy
 - ii. Crime Prevention Through Environmental Design of Buildings Policy
 - iii. Height of Buildings Policy
- B** That pursuant to Clause 9.6(b)(iv) of Community Planning Scheme No. 5, the Council place a notice in a local newspaper circulating within the district in relation to the final adoption of the policies referred to in A above.

**P11/3225 – FINAL ADOPTION OF URBAN PLANNING POLICIES (STAGE 3 REVIEW)
(REC) (ATTACHMENT)**Amendment

At 6.54pm Cr Ceniviva moved, seconded Cr Reidy -

That Part A of the Officer Recommendation be amended by adding the following words after "ii. Crime Prevention Through Environmental Design of Buildings Policy":

"subject to the modification of the first paragraph under 'Policy Application' as follows:

This Policy draws upon the principles outlined in the Western Australian Planning Commission's (WAPC) "Designing Out Crime – Planning Guidelines" which were released in 2006. The guidelines state that 'it is important that the relevant parts of the guidelines are incorporated in part or as a whole in local planning policies' to result in a better planning and design outcome for the community."

At 6.54pm the Mayor submitted the amendment, which was declared **CARRIED (12/0)**

Reasons for Amendment

At the Agenda Briefing Forum held Tuesday 5 July 2011 it was requested that consideration be given to a preamble sentence clarifying the purpose and intent of the Policy.

It is considered that the Policy Objectives and Policy Application sections of the Policy already clearly prescribe the purpose and intent of the Policy, however further clarification is provided in the proposed Amendment to the Officer Recommendation to outline that the WAPC intends that the 2006 Designing Out Crime guidelines be adopted in part or in full as local planning policies by local governments.

COUNCIL RESOLUTION (3225)**FINAL ADOPTION**

At 7.00pm the Mayor submitted the substantive motion as amended -

A That the Council resolve pursuant to Clause 9.6(b) of Community Planning Scheme No. 5 to adopt the following amended policies:

- i. Telecommunications Facilities and Communications Equipment Policy**
- ii. Crime Prevention Through Environmental Design of Buildings Policy subject to the modification of the first paragraph under 'Policy Application' as follows:**

This Policy draws upon the principles outlined in the Western Australian Planning Commission's (WAPC) "Designing Out Crime – Planning Guidelines" which were released in 2006. The guidelines state that 'it is important that the relevant parts of the guidelines are incorporated in part or as a whole in local planning policies' to result in a better planning and design outcome for the community.

- iii. Height of Buildings Policy**

**P11/3225 – FINAL ADOPTION OF URBAN PLANNING POLICIES (STAGE 3 REVIEW)
(REC) (ATTACHMENT)**

- B That pursuant to Clause 9.6(b)(iv) of Community Planning Scheme No. 5, the Council place a notice in a local newspaper circulating within the district in relation to the final adoption of the policies referred to in A above.**

At 7.00pm the Mayor declared the motion

CARRIED (12/0)

**D11/8037 – MT PLEASANT BOWLING CLUB SELF SUPPORTING LOAN REQUEST
(AMREC)**

Disclosure of Interest

Item No.	D11/8037
Elected Member/Officer	Mayor R A Aubrey
Type of Interest	Interest under Code of Conduct
Nature of Interest	Patron of the Mt Pleasant Bowling Club
Request	Stay, Discuss & Vote
Decision of Council	Not Applicable

Ward	: Applecross/Mt Pleasant
Category	: Operational
Subject Index	: Loans Self Supporting
Customer Index	: Mt Pleasant Bowling Club
Disclosure of any Interest	: No Officer involved in the preparation of this report has a declarable interest in this matter.
Previous Items	: C05/8004 Mt Pleasant Bowling Club Self Supporting Loan Request - Ordinary Meeting of the Council April 2005 C07/8017 Mt Pleasant Bowling Club request for Self Supporting Loan. December 2007.
Works Programme	: Not Applicable
Funding	: \$350,000
Responsible Officer	: Michael Doyle Community Recreation Coordinator

AUTHORITY / DISCRETION

DEFINITION

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

**D11/8037 – MT PLEASANT BOWLING CLUB SELF SUPPORTING LOAN REQUEST
(AMREC)****KEY ISSUES / SUMMARY**

- The purpose of this report is to consider a request from the Mt Pleasant Bowling Club
 - To pay out two existing self supporting loans and,
 - To make some essential replacement to the synthetic playing surfaces at the Club and, -
 - To take out a new loan over ten years with the City of Melville to cover the costs of the loan payout and essential replacement.
- The report recommends approval with conditions

BACKGROUND

The Mt Pleasant Bowling Club is acknowledged as a well functioning bowling club within the Western Australian bowling community and in 2010 was awarded the Metropolitan Club of the Year by Bowls WA. This award is judged on several criteria which include competition performances, financial stability, spread of membership and forward planning proposals with an emphasis upon environmental planning initiatives.

The Mt Pleasant Bowling Club will be required to resurface its B and C synthetic playing surfaces in September 2012 which is four years sooner than anticipated.

It is intended that the replacement works will take place around September 2011. However, the Mt Pleasant Bowling Club needs to be assured that they can obtain a loan from the City of Melville to place the order in September 2011 and to schedule the contractors to complete the necessary works in 2012. Currently, most contractors are busy completing a high degree of repair/replacement works in the Eastern States and are scheduled for at least the next 12 months due to the natural disasters that have recently occurred. By placing the order in September 2011, the Mt Pleasant Bowling Club will be in a position to take delivery of the new synthetic playing surface in September 2012.

DETAIL

In 2005, the Mt Pleasant Bowling Club recognised that potential water restrictions may affect the way that the Club operates and introduced water conservation and environmental measures. As a result of these measures, the Club replaced two grassed surfaces (B and C greens) with two synthetic playing surfaces. The product used had a manufacturer warranty of eight years (2012/2013) and, at the time of construction, the Club was advised that they should get a minimum of ten years (2013/2014).

In 2007, the Mt Pleasant Bowling Club received a significant donation from a club member (\$120,000) to allow a further green (D green) to be turned from a grass to a synthetic green. It appears that the quality of the synthetic surface had vastly improved from that of the surface used for B and C greens two years earlier. The Mt Pleasant Bowling Club advises that the life expectancy of D green is to 2017.

**D11/8037 – MT PLEASANT BOWLING CLUB SELF SUPPORTING LOAN REQUEST
(AMREC)**

The Mt Pleasant Bowling Club currently provides its membership with three synthetic playing greens known as B, C and D and one grass green known as A green. The reduction of three grass greens has seen a substantial reduction on the reliance of water, fertilisers, chemical sprays and has provided cost savings from reduced green maintenance. A synthetic green replacement sinking fund was established which currently stands at \$70,000.

In September 2012, the Mt Pleasant Bowling Club will need to replace B and C greens which, by that time, will have deteriorated to the extent that the surfaces will no longer be appropriate for bowling purposes. The deterioration of the greens has occurred two years sooner than the manufacturer's warranty and four years sooner than the Club had anticipated. The required early replacement is partly due to the performance of the synthetic surface and an initial misunderstanding by the Club that it would be able to turn the synthetic surface over to extend the playing life of the surface.

The company that installed the synthetic playing surface recognises that the performance of the surface is not what it should be and have offered the Mt Pleasant Bowling Club some compensation as is discussed in the financial section of this report.

In general, synthetic playing surface technology is improving and one of the current strengths of most synthetic playing surfaces is a greater UV strength which allows for an extended length of life.

The Mt Pleasant Bowling Club advises that:

- The synthetic playing surface sits on a concrete type base which is sufficient and does not require replacement.
- A committee has been established to investigate synthetic greens that are coming onto the market and have been visiting clubs that have installed similar products. This committee reports that the synthetic playing surfaces are continuously improving as is the life expectancy of the playing surface.
- As of 1 June 2011, the number of Club members is 525 and is broken down as follows:

Membership	01/06/2011		
	Female	Male	Total
Full – Bowlers	82	184	266
Social - Non Bowlers	94	167	261
Total Membership	175	351	526

Of the 82 female full bowlers, 77 (94%) reside in the City of Melville.
Of the 184 male full bowlers, 172 (93.5%) reside in the City Of Melville

City of Melville residents represent 84% of the total membership.

Bowling participation rates in Western Australia shows a decline for the period 2006 – 2010. Additionally, there is a demonstrated membership decline in participation in bowls from a national, state and local perspective. Within the City of Melville, the exception to this trend is the Kardinya Bowling Club which is indicating playing membership growth of approximately 25%. However, other clubs within the City are demonstrating similar declines indicating that bowlers are transient and will move from club to club.

**D11/8037 – MT PLEASANT BOWLING CLUB SELF SUPPORTING LOAN REQUEST
(AMREC)**

The following table highlights the percentage change in player membership numbers during the 2006 – 2010 periods at each of the bowling clubs within the City of Melville:

Club	Membership range Low/High	Percentage
Kardinya	134 - 179	+25%
Leeming	179 – 157	-13%
Melville	184 – 169	- 8%
Mt Pleasant	293 – 287	- 2%
Bull Creek	163 - 132	-19%

The Mt Pleasant Bowling Club has:

- The largest playing membership in the City.
- The largest combined social and player membership in the City.
- The largest number of synthetic playing surfaces that provide all year round use.
- A central location surrounded by residential properties in a good catchment

PUBLIC CONSULTATION/COMMUNICATION

No planning or building approvals will be required and advertising of the Self Supporting Loan will be conducted as identified under the statutory and legal Implications of this report.

CONSULTATION WITH OTHER AGENCIES / CONSULTANTS

Not Applicable.

STATUTORY AND LEGAL IMPLICATIONS

Should the Self Supporting Loan be approved, a period of 30 days public advertising is required under Section 6.20 (2) Local Government Act 1995.

FINANCIAL IMPLICATIONS

The Mt Pleasant Bowling Club currently has two Self Supporting Loans with the City of Melville.

Loan Number	Original Loan Amount	Amount owing at 5/09/2012
Loan 404	\$395,298	*\$142,000 (64% repaid)
Loan 407	\$140,000	*\$ 59,677 (57.5% repaid)
TOTAL	\$535,298	*\$201,677 (62.5% repaid)

The Club is seeking to replace Loans 404 and 407 (\$201,677) with a new loan of \$350,000 and use the additional funds to complete the essential synthetic playing surface replacement. The new loan of \$350,000 will be repaid over a ten year term.

**D11/8037 – MT PLEASANT BOWLING CLUB SELF SUPPORTING LOAN REQUEST
(AMREC)**

The financial explanation is set out below:

Surface replacement to B and C greens in 2012:	\$220,000
*Pay out of existing loan which by September 2012 will be:	\$201,677
<i>* Hypothetical settlement date of 14 September 2012 and is based on interest rates prevailing on 9 June 2011.</i>	
Total replacement:	\$421,677
Club contribution from sinking fund:	\$ 70,000
Require to borrow:	\$351,677*
<i>* Mt Pleasant Bowling Club (Inc) will contribute the additional \$1,677 from Club funds.</i>	

At both the July 2005 and December 2007 round of Council meetings, the City of Melville indicated that the Mt Pleasant Bowling Club would need to provide a sinking fund for the replacement of the synthetic playing surfaces. On both occasions, Mt Pleasant Bowling Club was advised that it was unlikely that the City would support the use of Self Supporting Loans to fund what is essentially an ongoing maintenance cost to the Mt Pleasant Bowling Club.

The Mt Pleasant Bowling Club has honoured their commitments to contribute to a sinking fund for the replacement of the synthetic playing surface and currently have \$70,000 set aside for the replacement. The Mt Pleasant Bowling Club also acknowledge that placing \$10,000 per annum into a sinking fund for the eventual replacement of the synthetic playing surfaces is not sufficient to cover the actual replacement costs.

As part of this Self Supporting Loan request, the Club has committed to increasing the annual contribution to the sinking fund to \$30,000 per annum. It is likely that any future surface replacement at the Mt Pleasant Bowling Club will attract a ten year life expectancy so, based on a conservative eight year potential replacement; the Mt Pleasant Bowling Club will have contributed \$240,000 in an eight year period to the sinking fund.

As the sinking fund will be invested and, assuming a 5% interest rate per annum by 2020, there will be an estimated \$300,000 in the sinking fund for synthetic playing surface replacement. However, it is estimated by the Mt Pleasant Bowling Club that by 2020 the cost of replacing the three synthetic greens will be \$480,000 (\$160,000 per green). This would mean that the Club would be required to either use other Club funds or take out a further Self Supporting Loan prior to, or at the end off, this proposed loan.

The company that installed the synthetic playing surface recognises that the performance of the surface was below the warranted period and will pay \$20,000 in compensation to the Mt Pleasant Bowling Club (\$10,000 per annum for loss of life expectancy). It is intended that this \$20,000 be used as a contingency fund for the project and the Mt Pleasant Bowling Club has committed to depositing any surplus contingency into the synthetic playing surface replacement fund.

Policy CP - 010 Self Supporting Loan states that: *“Where the total combined value of a club or organisations current and/or new self-supporting loan exceeds \$250,000 (two hundred and fifty thousand dollars) a Loan Guarantee Fee of the % (determined annually by the Council when setting the Fees & Charges) of the initial principal amount which will be charged and applied by incorporating into the periodic loan repayments amount.*

**D11/8037 – MT PLEASANT BOWLING CLUB SELF SUPPORTING LOAN REQUEST
(AMREC)**

The fees and charges for September 2012 will not be approved until the end of June 2012. The proposed Loan Guarantee Fee for 2011/2012 is 1%. Therefore, the estimated Loan Guarantee Fee is as follows:

Loan Amount	Amount
\$250,000	
\$100,000	
\$350,000+ 1% Loan Guarantee Fee	^\$3,500

^ \$3,500 fee will be charged and applied by incorporating it into the periodic loan repayments amount.

A favourable comparison of the current and proposed annual repayment schedule is estimated below:

Item (Per Annum)	Amount
CURRENT ARRANGEMENTS	
Bank Loan (Principle and Interest)	\$78,000
Synthetic Playing Surface Replacement Fund	\$10,000
TOTAL	\$88,000
PROPOSED ARRANGEMENTS	
*Bank Loan (Principle and Interest)	\$48,000
Playing Surface Replacement Fund	\$30,000
TOTAL	\$78,000

** The interest rate quoted on the new loan is based on rates applying as at 27th May 2011 and may change dependant on the rate on the day the new loan is taken out.*

The Club has demonstrated the capacity to pay the current \$88,000 per annum through a good loan repayment history with the City and the evidence of \$70,000 put aside for synthetic playing surface replacement. Given this history and the potential \$180,000 shortfall in surface replacement funds by 2020, it would seem reasonable to request an increase to the Club contribution from \$30,000 per annum to at least \$40,000 per annum towards the synthetic playing surface replacement fund.

It will be important to ensure that the synthetic playing surface sinking funds are held in a secure separate interest earning investment account and that interest earned on that investment is reinvested into the sinking fund. This account could either be held by the Club or paid to the City of Melville and held in Trust with interest earned being credited to that deposit. Should the deposit be held by the Club it is recommended that it be held in joint names with the City and any release funds only be transacted by approval of a signatory nominated by the Club and one by the City. It is recommended that the Director Corporate Services be this signatory. The latter solution is considered to be administratively the most efficient process.

STRATEGIC, RISK AND ENVIRONMENTAL MANAGEMENT IMPLICATIONS

There is a high risk that the Mt Pleasant Bowling Club could face a difficult future should the loan not be approved. The synthetic playing surfaces are deteriorating much sooner than the Club had anticipated. The Mt Pleasant Bowling Club is managed by an Executive Committee that have been acknowledged as effective demonstrated by the Club being awarded the 2010 Metropolitan Club of the Year by the sports peak body Bowls WA.

The Executive Committee comprises of a cross section of retired senior persons from a range of professions, including education, industry and commerce.

**D11/8037 – MT PLEASANT BOWLING CLUB SELF SUPPORTING LOAN REQUEST
(AMREC)**

The Club demonstrated sound planning for the future by initiating synthetic greens in 2005 and further extending the amount of synthetic greens in 2008. The Club will provide a ten year cash flow analysis reviewed and supported by an independent certified practicing, chartered or similarly qualified and experienced accountant to detail how they propose to manage the Club's finance during the period of the loan.

The ongoing financial commitments for the Mt Pleasant Bowling Club are discussed in more detail in the financial section of this report.

Risk Statement	Level of Risk	Risk Mitigation Strategy
A significant financial exposure should the Mt Pleasant Bowling Club not be in a position to honour its financial commitment to the City of Melville	Moderation consequences which is possible, resulting in a Medium level of risk.	Establish an agenda item for the Club's executive meetings reporting back to the City of Melville on a monthly and annual basis.
The Mt Pleasant Bowling Club not being in a position to offer its members adequate playing surfaces resulting in a decline in memberships, reduced income and potential default on loan repayments.	Moderation consequences which are likely, resulting in a High level of risk.	Approve request for Self Supporting Loan.

POLICY IMPLICATIONS

Policy CP - 010 Self Supporting Loan, states that *“Approval will only be considered where the club or organisation can adequately demonstrate, by provision of forward financial plans covering the life of the loan, a capacity to meet the loan repayment. The financial plans are to be certified by an independent Certified Practicing, Chartered or similarly qualified and experienced Accountant”*.

Policy CP – 030 Environmental Policy states that *“The City of Melville is committed to the protection and enhancement of biodiversity and the creation a sustainable urban environment. The City will actively promote and support sustainable growth and develop policies and implement programs that protect, preserve and enhance the environment and the quality of life of its citizens”*.

ALTERNATE OPTIONS AND THEIR IMPLICATIONS

An alternative to the Mt Pleasant Bowling Club managing its own synthetic playing surface sinking fund is for the City of Melville to set up a trust fund to which the Mt Pleasant Bowling Club would contribute on an agreed basis. The level of contribution would represent the estimated manufacture's replacement costs at the end of the synthetic playing surface expected lifespan. The Club has to date however demonstrated its ability to manage its existing surface replacement fund to the City's requirements. There would be an additional administration cost to the City if it was to assume the responsibility for setting up and managing the sinking fund in a trust account.

**D11/8037 – MT PLEASANT BOWLING CLUB SELF SUPPORTING LOAN REQUEST
(AMREC)**

An alternative would be to not support this application. Should support not be given to this request for a Self Supporting Loan, the Club would be unable to replace the existing surfaces. The likely result of reduced playing surfaces is a reduction in membership numbers and potential inability to repay current loan commitments. The City as guarantor would then be liable for the payment of the outstanding loans. Given the demonstrated capacity of the Club to fund its commitments with all greens in operation, this option would place unnecessary risk on the City and therefore is not deemed a suitable option.

CONCLUSION

Historically the City of Melville has relied on the good management of local sporting and community groups when approving Self Supporting Loans. In most cases, these loans are well managed and the Mt Pleasant Bowling Club has demonstrated that they have an excellent repayment history.

The Mt Pleasant Bowling Club demonstrates prudent management by way of experienced Club executive. Should the actions stated in this agenda not be adopted, the Mt Pleasant Bowling Club would face an uncertain future and may result in a potential risk of the Club defaulting on existing loans

An increased annual contribution to the synthetic playing surface replacement fund to \$40,000 will put the Club in a position to have the majority of the eventual replacement funds within an eight year period.

As highlighted in the detail of this report, there is a general participation decline in the sport of bowls throughout Australia. However Mt Pleasant Bowling Club has the highest playing membership of any club within the City.

OFFICER RECOMMENDATION & COUNCIL RESOLUTION (8037)**ABSOLUTE MAJORITY**

At 7.01pm Cr Reidy moved, seconded Cr Pazolli -

- 1. That by Absolute Majority Decision of the Council the Mt Pleasant Bowling Club is granted approval for a Self Supporting Loan of \$350,000 repayable over ten years subject to:**
 - a. The Mt Pleasant Bowling Club providing an acceptable ten year cash flow analysis reviewed and supported by an independent certified practicing, chartered or similarly qualified and experienced accountant.**
 - b. The Mt Pleasant Bowling Club noting that the City of Melville will not support any further Self Supporting Loans for any purpose until such time 60% of all loans are repaid or within a five year period (October 2017).**
 - c. The Mt Pleasant Bowling Club using the loan to pay out Loan 404 and 407 in full and replace the surfaces of green's B and C.**
 - d. The penalty costs associated with the early payout of loans 404 and 407 to be met by the Mt Pleasant Bowling Club.**
 - e. The Mt Pleasant Bowling Club contributing \$70,000 towards the replacement synthetic playing surfaces from Club funds.**

**D11/8037 – MT PLEASANT BOWLING CLUB SELF SUPPORTING LOAN REQUEST
(AMREC)**

- f. The Mt Pleasant Bowling Club confirms in writing that it will contribute \$40,000 per annum representing synthetic playing surface replacement funds, into a separate interest bearing deposit with an Authorised Deposit Taking Institution having a credit rating equivalent to Standard and Poor's BBB+ with such deposit being in the joint names of the Club and the City of Melville of which the City's Director Corporate Services shall be a co- signatory and agrees that release of these funds shall only be permitted for the replacement of the synthetic playing surfaces.
- g. The Mt Pleasant Bowling Club use the \$20,000 manufacturer's compensation as a contingency fund for this replacement project and commits any unspent contingency to the synthetic playing surface replacement fund.
- h. The Mt Pleasant Bowling Club agreeing to an annual meeting with the Director Corporate Services of the City of Melville to discuss the Club's audited annual reports and overall financial position.
- i. The Mt Pleasant Bowling Club, as part of the agenda at each of the Club's Executive Committee meetings, list and discuss the Club's progress in regards to meeting their loan commitments as well as progress in relation to the synthetic playing surface replacement fund and take any action necessary to ensure compliance with Council's requirements.
- j. The Mt Pleasant Bowling Club to minute the discussions of the Executive Committee meetings and forward a copy to the Director Community Development of the City of Melville.
- k. The Mt Pleasant Bowling Club meeting the requirements and associated costs of the Council's Self Supporting Loan Policy CP-010.
- l. The Mt Pleasant Bowling Club entering into a loan agreement with the City of Melville at its own costs.

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

CARRIED BY ABSOLUTE MAJORITY (12/0)

D11/8038 – MURDOCH UNIVERSITY COMMONWEALTH HEADS OF GOVERNMENT MEETING PARTNERSHIP OPPORTUNITY (REC)

Disclosure of Interest

Item No.	D11/8038
Elected Member/Officer	Cr J Barton
Type of Interest	Interest under Code of Conduct
Nature of Interest	Husband is an Emeritus Professor at Murdoch University
Request	Stay, Discuss & Vote
Decision of Council	Not Applicable

Ward	: University
Category	: Strategic
Subject Index	: Funding
Customer Index	: Murdoch University
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	: \$5,000
Responsible Officer	: Christine Young Director Community Development

AUTHORITY / DISCRETION

DEFINITION

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

D11/8038 – MURDOCH UNIVERSITY COMMONWEALTH HEADS OF GOVERNMENT MEETING PARTNERSHIP OPPORTUNITY (REC)**KEY ISSUES / SUMMARY**

- Murdoch University have invited the City of Melville to partner with them regarding hosting a formal dinner for the Commonwealth Heads of Government Meeting (CHOGM) delegates, Murdoch University officials, City of Melville elected officials, Chief Executive Officer and key community leaders at the Civic Centre on Friday 28 October 2011.
- This report provides background to this request and the required financial input by the City of Melville.

BACKGROUND

Murdoch University, through the Deputy Vice Chancellor for Research and Development, has invited the City of Melville to partner with them in hosting a formal dinner for CHOGM delegates (including Australian Commonwealth and State Ministers of Parliament), Murdoch University officials, City of Melville Mayor, Elected Members, Chief Executive Officer and key community leaders. The dinner would be for 100 people.

The dinner would follow a public lecture at Murdoch University associated with CHOGM on Friday, 28 October 2011.

DETAIL

During CHOGM, Murdoch University will host events associated with The Round Table which has become a tradition of CHOGM since 1997. The Round Table is Britain's oldest international affairs journal, providing analysis and commentary on all aspects of international affairs. Begun in 1910, and published six times a year, the journal is the major source for coverage of the policy issues concerning the contemporary Commonwealth and its role in international affairs.

The Round Table has provided coverage and commentary of CHOGM and its predecessor organisations dating back to the Imperial Conference of 1911. Commencing in 1997, The Round Table also began hosting a dinner and speaker during CHOGM, usually on the evening of the Queen's dinner. For example, in Abuja (2003) the speaker was Abdulsalami Abubakar, former president of Nigeria; in Valletta (2005) the speaker was Dame Billie Miller, Deputy PM of Barbados; in Kampala (2007) the speaker was Terry Waite, the former Archbishop of Canterbury's envoy; in Port of Spain (2009) the speaker was Sir Shridath Ramphal, former Secretary-General of the Commonwealth.

This year's CHOGM will see Murdoch University hosting The Round Table where former Prime Minister Honourable Malcolm Fraser will be the special guest speaker and then later in attendance at the formal dinner.

D11/8038 – MURDOCH UNIVERSITY COMMONWEALTH HEADS OF GOVERNMENT MEETING PARTNERSHIP OPPORTUNITY (REC)

Three sequential events will be held at Murdoch University on the 28 October 2011. It will begin with a lunch, followed by The Round Table Forum where approximately 60 people, drawn from around the Commonwealth, will participate in a conversation on a topic of importance to the Commonwealth, after which there will be a public lecture by the Right Honourable Malcolm Fraser. The day will culminate in a dinner for approximately 100 people drawn from The Round Table membership and visiting Commonwealth dignitaries.

Australia has a rich tradition and strong connection with The Round Table where past members include the first Labor Prime Minister Chris Watson, former Treasurer Dr Jim Cairns, Official War Historian and Founder of the Australian War Memorial Dr CEW Bean, General Sir William Bridges, Lord Casey and Sir Keith Murdoch and International Advisory Board Members Sir Zelman Cowen, Chancellor of the Australian National University (ANU) and Emeritus Professor of History at Cambridge, Professor Anthony Low (former Vice Chancellor of ANU) and Prof. Richard Nile (Professor of Australian Studies and Director, Humanities Research Institute, Murdoch University).

Murdoch University has considered the City of Melville as a valued stakeholder and view this partnership with the formal dinner as a visible acknowledgement of our commitment to working collaboratively.

The City would be invited to send attendees to The Round Table forum, to the public lecture at Murdoch presented by the Right Honourable Malcolm Fraser, and to have representation at the formal dinner proposed to be held in the Conference Room at the Civic Centre (up to 20 attendees). This would include the Mayor, Elected Members, Chief Executive Officer and key community leaders. Attendance at the dinner would present valuable opportunities for networking and information sharing with CHOGM delegates representing many nations, Australian government ministers and for the City to promote our assets. Attendance would also include key community members in keeping with the City's inclusive approach who would benefit from opportunities to speak with a range of diverse attendees. Key community leaders would be representative of people with disabilities, seniors, young people and the multi-cultural community.

The majority of CHOGM events are north of the river, apart from the Youth Forum which will be held in Fremantle, so this also presents an opportunity for a further event south of the river.

PUBLIC CONSULTATION/COMMUNICATION

No formal public consultation/communication is required.

It is noted that the City's Community Plan 2007, People, Places, Participation clearly identifies Murdoch University as a key stakeholder.

CONSULTATION WITH OTHER AGENCIES / CONSULTANTS

Discussions have occurred with Murdoch University on this matter.

D11/8038 – MURDOCH UNIVERSITY COMMONWEALTH HEADS OF GOVERNMENT MEETING PARTNERSHIP OPPORTUNITY (REC)

STATUTORY AND LEGAL IMPLICATIONS

There are no statutory and legal implications.

FINANCIAL IMPLICATIONS

Costing has been provided from the City of Melville's Function Officer for the formal dinner which has been estimated at \$12,000 and would be hosted in the Conference Room at the Civic Centre.

It is proposed that an amount of \$5,000 be allocated from the appropriate budget for this purpose.

Murdoch University will cover the remaining costs, including any security costs and administrative work associated with the dinner.

STRATEGIC, RISK AND ENVIRONMENTAL MANAGEMENT IMPLICATIONS

The partnership to host the CHOGM dinner at the City of Melville can further our strategic relationship with Murdoch University as a tangible indication of our commitment to working with them and having a positive impact on our relationship.

It will also present opportunities for attendees from the City (including elected officials and key community members) to share strategic thinking with and from CHOGM delegates.

Risk Statement	Level of Risk	Risk Mitigation Strategy
Security risks may eventuate dependent on level of officials/dignitaries attending.	Moderate risk consequences which are likely, resulting in a High level of risk.	Murdoch University to implement security plan if required and cover associated costs.

POLICY IMPLICATIONS

There is no Council Policy which relates to this report.

D11/8038 – MURDOCH UNIVERSITY COMMONWEALTH HEADS OF GOVERNMENT MEETING PARTNERSHIP OPPORTUNITY (REC)**ALTERNATE OPTIONS AND THEIR IMPLICATIONS**

The City could decide not to support this request to partner with Murdoch University on this occasion. Should this be the decision the opportunity to strengthen the collaborative and strategic relationship between the City of Melville and Murdoch University would not be realised. The City would also miss a unique and prestigious opportunity to promote its profile and assets during this CHOGM event. Apart from the City of Perth, opportunities for involvement with CHOGM are limited for local government authorities and this presents an opportunity to promote the strategic relationship we have with Murdoch University, and for elected officials and key community members to have exposure to interaction with CHOGM delegates.

CONCLUSION

Murdoch University has invited the City to partner in the hosting of a formal dinner associated with CHOGM (The Round Table) at the Civic Centre on the 28 October 2011.

This provides a prestigious and unique opportunity for the City to have a raised profile as part of the CHOGM events, to strengthen our strategic relationship with Murdoch University, and to further strategic networking at the function by City of Melville elected officials and key community leaders.

OFFICER RECOMMENDATION & COUNCIL RESOLUTION (8038)**APPROVAL**

- 1. That the City of Melville partner with Murdoch University to jointly host a formal dinner to be held on 28 October 2011 during the Commonwealth Heads of Government Meeting.**
- 2. That an amount of \$5,000 be allocated for this purpose from the appropriate budget line.**

At 7.03pm the Mayor submitted the motion, which was declared

CARRIED EN BLOC (11/1)

C11/5000 – COMMON SEAL REGISTER (REC)

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

AUTHORITY / DISCRETION

DEFINITION

<input type="checkbox"/>	Advocacy	<i>when 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 details the documents to which the City of Melville Common Seal has been applied for the period from 14 May 2011 up to and including 23 June 2011 and recommends that the information be noted.

C11/5000 – COMMON SEAL REGISTER (REC)

BACKGROUND

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

DETAIL

Register Reference	Party	Description	File Reference
539	City of Melville	CEO Contract Variation - effective from 20 March 2011	CEO Personal File
537	Application to Caveat	To replace the Caveat that was withdrawn temporarily in order to transfer the land. 18D & 18E (lots 1&2) Ullapool Rd Mount Pleasant (Deed relating to the deferment of Conditions of Subdivision Approval)	2492570
547	Contract of Employment-CEO	Contract of Employment – CEO	CEO Personal File

PUBLIC CONSULTATION/COMMUNICATION

Not applicable.

CONSULTATION WITH OTHER AGENCIES / CONSULTANTS

Not applicable.

STATUTORY AND LEGAL IMPLICATIONS

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

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

Section 9.49. Documents, how authenticated.

A document, is, unless this Act requires otherwise, sufficiently authenticated by a local government without its common seal if signed by the CEO or an employee of the local government who purports to be authorised by the CEO to so sign.

FINANCIAL IMPLICATIONS

Not applicable.

C11/5000 – COMMON SEAL REGISTER (REC)**STRATEGIC, RISK AND ENVIRONMENTAL MANAGEMENT IMPLICATIONS**

Not applicable.

POLICY IMPLICATIONS

Not applicable.

ALTERNATE OPTIONS AND THEIR IMPLICATIONS

Not applicable.

CONCLUSION

This is a standard report for Elected Members information.

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

That the action of His Worship the Mayor and the Chief Executive Officer in executing the documents listed under the Common Seal of the City of Melville from 14 May 2011 up to and including 23 June 2011, be noted.

At 7.03pm the Mayor submitted the motion, which was declared

CARRIED EN BLOC (11/1)

C11/6000 - INVESTMENT STATEMENTS (REC)

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	:	Khris Yeoh - Senior Financial Accountant

AUTHORITY / DISCRETION

DEFINITION

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

KEY ISSUES / SUMMARY

- This report presents the investment statements for the month of May 2011 and recommends that the information detailed in the report be noted.
- No new credit events were recorded in relation to the Council's Collateralised Debt Obligation (CDO) investments in May 2011.
- When compared to the valuations used as at 30 June 2010, valuations obtained from Denison Financial Advisory as at 31 May 2011 show that:
 - Authorised Deposit-taking Institutions (ADIs) have increased in value by \$125K.
 - CDOs have increased in value by \$6.1m.

C11/6000 - INVESTMENT STATEMENTS (REC)

BACKGROUND

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

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

DETAIL

Summary details of investments held at 31 May 2011 are shown in the table below.

**CITY OF MELVILLE
STATEMENT OF INVESTMENTS
FOR THE PERIOD ENDING 31 MAY 2011**

SUMMARY BY FUND	PURCHASE PRICE \$	ESTIMATED BOOK VALUE 30/06/2010 \$	ESTIMATED CURRENT MARKET VALUE \$	BOOK PROFIT/(LOSS) \$	BOOK PROFIT/(LOSS) %
MUNICIPAL RESERVE	\$ 42,575,571	\$ 42,575,571	\$ 42,575,571	\$ -	0.00%
TRUST	\$ 504,947	\$ 504,947	\$ 504,947	\$ -	0.00%
CRF	\$ 178,313	\$ 178,313	\$ 178,313	\$ -	0.00%
	\$ 84,556,414	\$ 66,375,157	\$ 72,558,286	\$ 6,183,129	7.31%

SUMMARY BY FUND	PURCHASE PRICE \$	ESTIMATED BOOK VALUE 30/06/2010 \$	ESTIMATED CURRENT MARKET VALUE \$	BOOK PROFIT/(LOSS) \$	BOOK PROFIT/(LOSS) %
ADI	\$ 5,000,000	\$ 4,830,905	\$ 4,956,355	\$ 125,450	2.51%
CDO	\$ 19,720,000	\$ 1,707,838	\$ 7,765,517	\$ 6,057,679	30.72%
BOND	\$ 2,000,000	\$ 2,000,000	\$ 2,000,000	\$ -	0.00%
FRTD	\$ 2,000,000	\$ 2,000,000	\$ 2,000,000	\$ -	0.00%
TERM DEPOSIT	\$ 52,989,096	\$ 52,989,096	\$ 52,989,096	\$ -	0.00%
11AM	\$ 2,616,673	\$ 2,616,673	\$ 2,616,673	\$ -	0.00%
UNITS (Local Govt Hse)	\$ 230,645	\$ 230,645	\$ 230,645	\$ -	0.00%
	\$ 84,556,414	\$ 66,375,157	\$ 72,558,286	\$ 6,183,129	7.31%

SUMMARY BY FUND	PURCHASE PRICE \$	ESTIMATED BOOK VALUE 30/06/2010 \$	ESTIMATED CURRENT MARKET VALUE \$	BOOK PROFIT/(LOSS) \$	BOOK PROFIT/(LOSS) %
AA	\$ 19,678,313	\$ 19,678,313	\$ 19,678,313	\$ -	0.00%
AA-	\$ 30,627,456	\$ 30,609,726	\$ 30,621,666	\$ 11,940	0.04%
A+	\$ 5,300,000	\$ 5,300,000	\$ 5,300,000	\$ -	0.00%
A	\$ 3,000,000	\$ 3,000,000	\$ 3,000,000	\$ -	0.00%
A-	\$ 3,500,000	\$ 3,363,435	\$ 3,462,145	\$ 98,710	2.82%
BBB+	\$ 2,000,000	\$ 2,000,000	\$ 2,000,000	\$ -	0.00%
CCC	\$ 1,500,000	\$ 76,950	\$ 646,950	\$ 570,000	38.00%
CCC-	\$ 3,600,000	\$ 376,140	\$ 900,000	\$ 523,860	14.55%
NR	\$ 15,120,000	\$ 1,739,948	\$ 6,718,567	\$ 4,978,619	32.93%
UNITS (Local Govt Hse)	\$ 230,645	\$ 230,645	\$ 230,645	\$ -	0.00%
	\$ 84,556,414	\$ 66,375,157	\$ 72,558,286	\$ 6,183,129	7.31%

C11/6000 - INVESTMENT STATEMENTS (REC)

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

CITY OF MELVILLE STATEMENT OF INVESTMENTS FOR THE PERIOD ENDING 31 MAY 2011										
INSTITUTION / INVESTMENT	RISK of IMPAIRMENT	INVESTMENT TYPE	Current Interest Rate %	S & P RATING	PROPORTION	MAX. PER INSTITUTION	FACE VALUE \$	BOOK VALUE AT 30/6/2010 \$	CURRENT EST MARKET VALUE \$	INVESTMENT GAIN / (LOSS) SINCE 30/6/10 \$
BANKWEST (11AM)		11AM	4.70%	AA	1%	20%	\$1,013,445	\$1,013,445	\$1,013,445	\$0
WESTPAC (MAXI DIRECT)		11AM	4.80%	AA-	1%	20%	\$500,000	\$500,000	\$500,000	\$0
WESTPAC (MAXI BONUS 1)		11AM	5.20%	AA-	1%	20%	\$1,103,228	\$1,103,228	\$1,103,228	\$0
WESTPAC (MAXI BONUS 2)		11AM	5.20%	AA-	0%	20%	\$0	\$0	\$0	\$0
							\$2,616,673	\$2,616,673	\$2,616,673	\$0
BANKWEST (TERM)		TERM	5.85%	AA	8%	20%	\$7,164,868	\$7,164,868	\$7,164,868	\$0
COMMONWEALTH BANK (TERM)		TERM	5.59%	AA	11%	20%	\$9,500,000	\$9,500,000	\$9,500,000	\$0
SUNCORP METWAY LTD (TERM)		TERM	6.17%	A+	6%	20%	\$5,300,000	\$5,300,000	\$5,300,000	\$0
ING BANK		TERM	6.21%	A	4%	20%	\$3,000,000	\$3,000,000	\$3,000,000	\$0
NAB		TERM	6.09%	AA	12%	20%	\$10,000,000	\$10,000,000	\$10,000,000	\$0
ST GEORGE BANK (TERM)		TERM	5.89%	AA-	11%	20%	\$9,500,000	\$9,500,000	\$9,500,000	\$0
WESTPAC (TERM)		TERM	5.81%	AA-	10%	20%	\$8,524,228	\$8,524,228	\$8,524,228	\$0
							\$52,989,096	\$52,989,096	\$52,989,096	\$0
COMMONWEALTH BANK (BOND)		BOND	5.97%	AA	2%	20%	\$2,000,000	\$2,000,000	\$2,000,000	\$0
							\$2,000,000	\$2,000,000	\$2,000,000	\$0
BANK OF QUEENSLAND (FLOAT RATE TD)		FRTD	6.42%	BBB+	2%	20%	\$2,000,000	\$2,000,000	\$2,000,000	\$0
							\$2,000,000	\$2,000,000	\$2,000,000	\$0
ADELAIDE BANK	Very Low	ADI	5.28%	A-	1%	10%	\$1,000,000	\$983,880	\$996,100	\$12,220
ELDERS RURAL BANK	Very Low	ADI	5.62%	BBB	1%	0%	\$500,000	\$485,200	\$500,000	\$14,800
MACQUARIE BANK	Very Low	ADI	5.37%	A-	2%	15%	\$1,500,000	\$1,410,105	\$1,466,955	\$56,850
SUNCORP METWAY LTD	Very Low	ADI	5.20%	A-	1%	15%	\$1,000,000	\$969,450	\$999,090	\$29,640
WESTPAC BANK	Very Low	ADI	5.16%	AA-	1%	20%	\$1,000,000	\$982,270	\$994,210	\$11,940
APHEX (GLENELG)	High	CDO	6.57%	NR	2%	0%	\$2,000,000	\$125,600	\$800,000	\$674,400
BERYL FINANCE GLOBAL BANK NOTE	Early Term.	CDO	0.00%	NR	2%	0%	\$2,000,000	\$1	\$1,200,000	\$1,199,999
BERYL FINANCE GLOBAL BANK NOTE 2	Early Term.	CDO	0.00%	NR	1%	0%	\$450,000	\$1	\$270,000	\$269,999
CORSAIR (CAYMAN) KAKADU	High	CDO	6.24%	CCC	2%	0%	\$1,500,000	\$76,950	\$646,950	\$570,000
CORSAIR (CAYMAN) TORQUAY	Very High	CDO	6.55%	NR	2%	0%	\$1,885,000	\$23,000	\$259,565	\$236,565
ETHICAL LIMITED GREEN	High	CDO	5.84%	NR	1%	0%	\$1,000,000	\$11,000	\$318,500	\$307,500
HELIUM CAPITAL (ESPERANCE)	High	CDO	6.54%	CCC-	2%	0%	\$1,800,000	\$355,140	\$900,000	\$544,860
HELIUM CAPITAL (SCARBOROUGH)	High	CDO	6.83%	CCC-	2%	0%	\$1,800,000	\$21,000	\$0	-\$21,000
MAGNOLIA FLINDERS	Moderate	CDO	6.34%	NR	2%	20%	\$2,000,000	\$988,139	\$1,743,972	\$755,833
MANAGED ACES CLASS 11A PARKES	Very High	CDO	8.14%	NR	1%	0%	\$1,000,000	\$3,000	\$27,000	\$24,000
MANAGED ACES CLASS 1A PARKES	High	CDO	6.47%	NR	1%	0%	\$1,050,000	\$10,500	\$163,800	\$153,300
OMEGA CAPITAL CLASS A HENLEY	Moderate	CDO	5.80%	NR	0%	0%	\$385,000	\$82,506	\$345,730	\$263,224
STARTS (CAYMAN) BLUE GUM	Defaulted	CDO	#N/A	NR	0%	0%	\$0	\$0	\$0	\$0
ZIRCON FINANCE COOLANGATTA	Early Term.	CDO	0.00%	NR	2%	0%	\$1,500,000	\$9,300	\$600,000	\$590,700
ZIRCON FINANCE MERIMBULA	Early Term.	CDO	0.00%	NR	1%	0%	\$500,000	\$1,700	\$150,000	\$148,300
ZIRCON FINANCE MIAMI	Early Term.	CDO	0.00%	NR	1%	0%	\$850,000	\$1	\$340,000	\$339,999
							\$24,720,000	\$6,538,743	\$12,721,872	\$6,183,129
UNITS IN LOCAL GOVT HOUSE		UNITS	0.00%				\$230,645	\$230,645	\$230,645	\$0
TOTAL FUNDS INVESTED					100%		\$84,556,414	\$66,375,157	\$72,558,286	\$6,183,129

DIVERSIFICATION / CREDIT RISK COMPARISON

CREDIT RISK	PURCHASE PRICE \$	CURRENT ESTIMATED MARKET VALUE	ACTUAL PROPORTION	MAX. % AMOUNT IN TOTAL PORTFOLIO	Comments
AAA	\$0	\$0	0%	100%	
AA	\$29,678,313	\$29,678,313	41%	80%	
AA-	\$20,627,456	\$20,621,666	28%	80%	
A+	\$5,300,000	\$5,300,000	7%	50%	
A	\$3,000,000	\$3,000,000	4%	50%	
A-	\$3,500,000	\$3,462,145	5%	50%	
BBB+	\$2,000,000	\$2,000,000	3%	20%	
BBB	\$500,000	\$500,000	1%	0%	
BBB-	\$0	\$0	0%	0%	
BB+	\$0	\$0	0%	0%	
B+	\$0	\$0	0%	0%	
B	\$0	\$0	0%	0%	Purchased Prior To Policy Change
CCC+	\$0	\$0	0%	0%	
CCC	\$1,500,000	\$646,950	1%	0%	
CCC-	\$3,600,000	\$900,000	1%	0%	
C	\$0	\$0	0%	0%	
NR	\$14,620,000	\$6,218,567	9%	0%	
UNITS IN LOCAL GOVT: HOUSE	\$230,645	\$230,645	0%	0.1%	Council Decision
TOTAL	84,556,414	72,558,286	100%		

C11/6000 - INVESTMENT STATEMENTS (REC)
DIVERSIFICATION RISK

INSTITUTION	INVESTMENT TYPE	S & P RATING	CURRENT ESTIMATED MARKET VALUE	ACTUAL PROPORTION	INSTITUTION PROPORTION	MAX. % WITH ANY ONE INSTITUTION	Comments
ADELAIDE BANK	ADI	A-	996,100	1.37%	1.37%	10%	
BANK OF QUEENSLAND (FLOAT RATE TD)	FRTD	BBB+	2,000,000	2.76%	9.87%	20%	
BANKWEST (11AM)	11AM	AA	1,013,445	1.40%		20%	
BANKWEST (TERM)	TERM	AA	7,164,868	9.87%	11.27%	20%	
COMMONWEALTH BANK (TERM)	TERM	AA	9,500,000	13.09%		20%	
COMMONWEALTH BANK (BOND)	BOND	AA	2,000,000	2.76%	15.85%	20%	
ELDERS RURAL BANK	ADI	BBB	500,000	0.69%	0.69%	10%	
ING BANK	TERM	A	3,000,000	4.13%	4.13%	20%	
MACQUARIE BANK	ADI	A-	1,466,955	2.02%		15%	
MACQUARIE BANK (TERM)	TERM	AAA	-	0.00%	2.02%	20%	
NAB	TERM	AA	10,000,000	13.78%	13.78%	20%	
ST GEORGE BANK (TERM)	TERM	AA-	9,500,000	13.09%	13.09%	20%	
SUNCORP METWAY LTD (TERM)	TERM	A+	5,300,000	7.30%		15%	
SUNCORP METWAY LTD	ADI	A-	999,090	1.38%	8.68%	15%	
WESTPAC (MAXI BONUS 1)	11AM	AA-	1,103,228	1.52%		20%	
WESTPAC (MAXI BONUS 2)	11AM	AA-	-	0.00%		20%	
WESTPAC (MAXI DIRECT)	11AM	AA-	500,000	0.69%		20%	
WESTPAC (TERM)	TERM	AA-	8,524,228	11.75%		20%	
WESTPAC BANK	ADI	AA-	994,210	1.37%	15.33%	20%	
CDO - Various	CDO		7,765,517	10.70%	10.70%		Purchased Prior To Policy Change
UNITS IN LOCAL GOVT HOUSE	UNITS		230,645	0.32%	0.32%		
			72,558,286	96%	96%		

MATURITY COMPARISON

TERM to MATURITY	CURRENT ESTIMATED MARKET VALUE	ACTUAL PROPORTION	MAX. % IN ANY ONE YEAR	Comments
MUNICIPAL & TRUST FUNDS				
< 1 year	42,849,873	100%	100%	
< 2 years	-	0%	10%	
< 3 years	-	0%	10%	
< 4 years	-	0%	0%	
< 5 years	-	0%	0%	
> 5 years	-	0%	0%	
	42,849,873	100%		
RESERVE FUNDS				
< 1 year	15,317,655	52%	100%	
< 2 years	1,245,730	4%	80%	
< 3 years	3,375,015	12%	80%	
< 4 years	2,870,000	10%	40%	
< 5 years	2,190,800	7%	40%	
> 5 years	4,300,255	15%	20%	Purchased Prior To Policy Change
	29,299,455	100%		

C11/6000 - INVESTMENT STATEMENTS (REC)

The values ascribed to Authorised Deposit Taking Institutions (ADIs) by Council's independent financial advisers are based on current market evidence. Positive improvements in the market since 30 June 2010 are evident by an increase in market valuations. These valuations assume that the City will be required to sell these investments prior to maturity. The City is however a holder to maturity of these investments as there is no need to sell ADIs. There is therefore no reason to expect that any losses will be incurred. Recent repurchases by the issuing banks at their full value supports this view. The City expects that further ADIs will be repurchased by the issuing banks as they reach their call dates over the next 12 months. Since 30 June 2009 \$12,500,000 worth of ADIs have been repurchased by the issuing banks. These had been written down in previous financial years, to a book value of \$12,288,900. A book profit of \$211,100 has therefore been realised.

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

Monthly valuations shown for 31 May 2011 were provided by the Council's independent financial adviser Denison Financial Advisory. This supports the current positive improvements in the market, evident by the increase in valuations of the Council ADIs and CDOs investments. When compared to the valuations used as at 30 June 2010, valuations obtained from Denison as at 31 May 2011 show that:

- ADIs have increased in value by \$125,450.
- CDOs have increased in value by \$6.06 million.

Lehman Brothers arranged CDOs have experienced a substantial increase, as heightened investor expectations of a favourable ruling in the courts grew which will result in an early termination and Council gaining access to the collateral representing the Council's original investments which are held by the Trustees.

All other non Lehman Brothers arranged CDOs continue to pay coupon payments (albeit some at reduced levels due to the erosion of credit support and therefore underlying principal) and this is expected to continue. Based on independent advice from a number of sources, the City's policy has been to continue to hold these investments to maturity unless opportunities to sell at realistic values are presented. No realistic offers have been received to date.

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

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

C11/6000 - INVESTMENT STATEMENTS (REC)**Credit Ratings and Credit Events**

There were no credit events in May that affected the Council's CDO investments.

Twenty credit events impacting the Council's CDO investments have now been recorded to date. The Companies involved are AMBAC Financial, Takefuji, AMBAC Assurance, AIFUL, Tribune, Thomson, Financial Guaranty Insurance Company (FGIC), XL Capital Assurance, Bank TuranAlem, Idearc, Federal National Mortgage Association (Fannie Mae), the Federal Home Loan Mortgage Corporation (Freddie Mac), Lehman Brothers, WaMu, Glitnir, Kaupthing, Landsbanki, Chemtura, Abitibi and CIT Group. This has resulted in a loss of \$3.486m to date, as detailed below:

- The total loss (\$1.5m) of the Starts Cayman Blue Gum CDO with a face value of \$1.5m.
- The partial loss (\$0.924m) of the Corsair Cayman Torquay CDO with a face value of \$1.885m.
- The partial loss (\$0.592m) of the Helium Capital Scarborough CDO with a face value of \$1.8m.
- The partial loss (\$0.47m) of the Managed Aces Class Parkes IIA CDO with a face value of \$1.0m.

A portion (approximately \$1.5m as at 30 June 2010) of the Risk Management Reserve was created to fund losses arising from Council's investment activities. \$1.5m has since been applied against this Reserve, from the total loss of the Starts Cayman Blue Gum CDO.

Where losses exceed the available funds, these will be prorated and deducted across the Council's other Reserve Funds excluding the Leave Entitlement and the remainder of the Risk Management Reserve. These Reserve funds are restricted to the payment of employee entitlements and contingent Workers Compensation Insurance Claims.

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

C11/6000 - INVESTMENT STATEMENTS (REC)

CDO Arranger Face Value	No. of Credit Events	Remaining Credit Support before FIRST Loss of Principal	Remaining Credit Support before TOTAL Loss of Principal	Comments
Aphex Glenelg Arranger: Nomura International \$2.0m	6 credit events: Takefuji, AIFUL, Tribune, Thomson, Lehman's, Landsbanki & CIT Group.	3	3.8	
Beryl Finance Global Bank Note Arranger: Lehman Brothers \$2.45m	Nil credit events:	1	N/A	Being terminated due to trustee taking control of underlying security.
Corsair Cayman Kakadu Arranger: J.P. Morgan Australia \$1.5m	9 credit events: AMBAC Assurance, AIFUL, XL Capital Assurance, Freddie Mac, Fannie Mae, Lehman's, WaMu, Kaupthing & CIT Group.	3	5	
Corsair Cayman Torquay Arranger: J.P. Morgan Australia \$1.885m	8.5 credit events: AMBAC Assurance, AIFUL, XL Capital Assurance, Idearc, Freddie Mac, Lehman, WaMu, Glitnir, Kaupthing & CIT Group.	0 (-0.39)	1	Partial loss (49%) of principal has occurred. Very high likelihood of total default.
Ethical Limited Green Arranger: J.P. Morgan Australia \$1.0m	7.5 credit events: AMBAC Assurance, AIFUL, XL Capital Assurance, Idearc, Lehman's, WaMu, Glitnir, Kaupthing & CIT Group.	0.6	1.9	High likelihood of total default.
Helium Capital Esperance Arranger: Merrill Lynch International \$1.80m	2.5 credit events: Idearc, Tribune, Thomson, Lehman's & CIT Group.	1.5	3.2	

C11/6000 - INVESTMENT STATEMENTS (REC)

CDO Arranger Face Value	No. of Credit Events	Remaining Credit Support before FIRST Loss of Principal	Remaining Credit Support before TOTAL Loss of Principal	Comments
Helium Capital Scarborough Arranger: Merrill Lynch \$1.8m	7.0 credit events: AMBAC Financial, AIFUL, Idearc, Freddie Mac, Fannie Mae, Tribune, Lehman's, Kaupthing & Landsbanki.	-0.5	1	Partial loss (32.9%) of principal has occurred. Very High likelihood of total default.
Magnolia Flinders Arranger: Credit Suisse First Boston \$2.0m	Nil CDO defaults:	N/A	N/A	A "CDO-squared" of four individual standard CDOs.
Managed Aces Class Parkes 1A Arranger: Morgan Stanley \$1.05m	8.0 credit events: AMBAC Assurance, AIFUL, XL Capital Assurance, Freddie Mac, Fannie Mae, Lehman's, WaMu & CIT Group.	1	3	High likelihood of total default.
Managed Aces Class Parkes 11A Arranger: Morgan Stanley \$1.0m	9.0 credit events: AMBAC Assurance, AIFUL, FGIC, XL Capital Assurance, Freddie Mac, Fannie Mae, Lehman's, WaMu & CIT Group.	0 (-0.5)	1	Partial loss (47%) of principal has occurred. Very high likelihood of total default.
Omega Capital Class A Henley Arranger: BNP Paribas \$0.385m	6.0 credit events: AMBAC Assurance, Freddie Mac, Fannie Mae, Thomson, Lehman's & CIT Group.	5	5.9	
Starts Cayman Blue Gum Arranger: HSBC Bank USA \$1.50m	10.0 credit events: AMBAC Financial, Bank TuranAlem, Freddie Mac, Fannie Mae, Lehman's, WaMu, Glitnir, Kaupthing, Landsbanki & CIT Group.	Defaulted	Defaulted	Total loss of principal and investment CDO has defaulted.

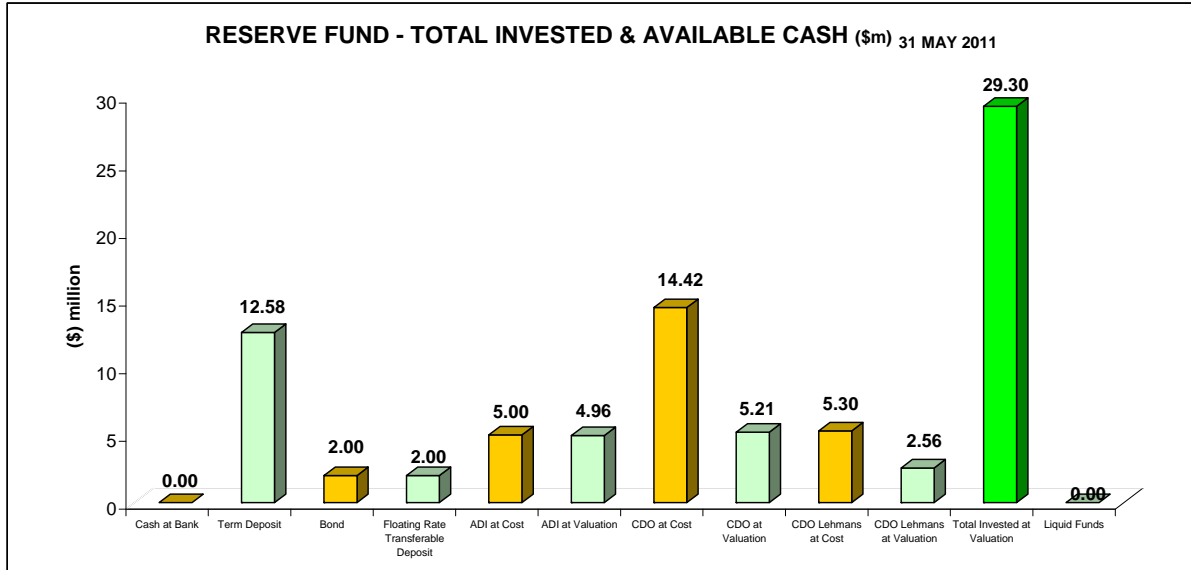
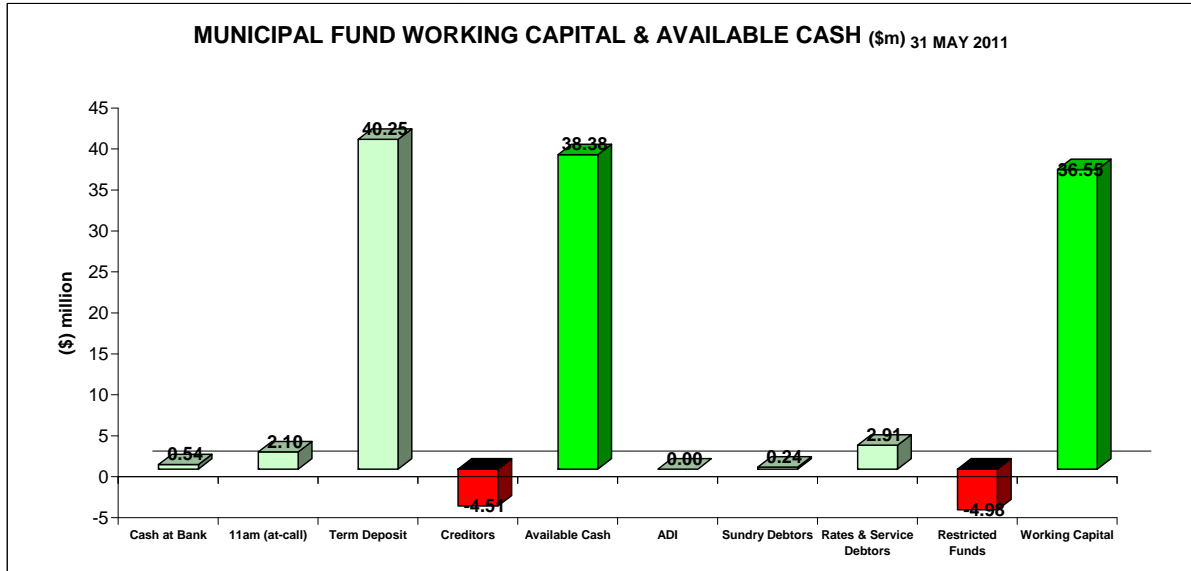
C11/6000 - INVESTMENT STATEMENTS (REC)

CDO Arranger Face Value	No. of Credit Events	Remaining Credit Support before FIRST Loss of Principal	Remaining Credit Support before TOTAL Loss of Principal	Comments
Zircon Finance Coolangatta Arranger: Lehman Brothers \$1.50m	8.0 credit events: Ambac Assurance, Aiful, FGIC, Freddie Mac, Fannie Mae, WaMu, Chemtura & Cit Group.	4.7	6.5	Being terminated due to trustee taking control of underlying security.
Zircon Finance Merimbula A Arranger: Lehman Brothers \$0.50m	8.0 credit events: Ambac Assurance, Aiful, FGIC, Freddie Mac, Fannie Mae, WaMu, Chemtura & Cit Group.	2.9	3.7	Being terminated due to trustee taking control of underlying security.
Zircon Finance Miami Arranger: Lehman Brothers \$0.85m	7.0 credit events: Ambac Assurance, Aiful, Thomson, Freddie Mac, Fannie Mae, Abitibi & CIT Group.	8.4	10.1	Being terminated due to trustee taking control of underlying security.

C11/6000 - INVESTMENT STATEMENTS (REC)

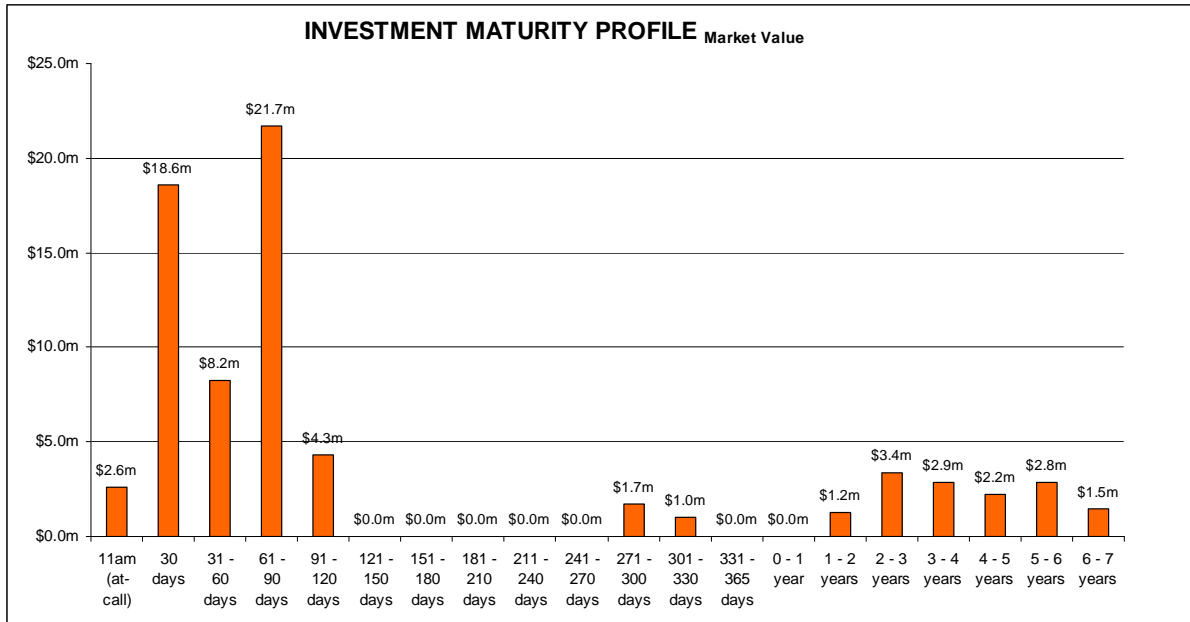
Net Funds Held

The graphs below summarise the Municipal Fund working capital and available cash and the funds held in the Reserve Fund at purchase price and last valuation, for May 2011.



C11/6000 - INVESTMENT STATEMENTS (REC)

The graph below summarise the maturity profile of the Council's investments at market value as at 31 May 2011.



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 five 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.

CONSULTATION WITH OTHER AGENCIES / CONSULTANTS

Denison Financial Advisory, the City's current investment Advisor, has reviewed the current investment portfolio and we will continue to work with them to review the City's investment strategy going forward.

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

The Department of Local Government and Regional Development issued Investment Policy Guidelines during 2008, well after the global financial crisis, and the Council's investment policy has been amended in December 2009 to give effect to the guidelines.

C11/6000 - INVESTMENT STATEMENTS (REC)**STATUTORY AND LEGAL IMPLICATIONS**

The following legislation is relevant to this report:

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

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

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

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

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

FINANCIAL IMPLICATIONS

In light of positive movements in interest rates, the Council has revised its investment earnings upwards for the 2010/11 mid year budget review. The new investment earnings budget for Municipal and Trust Funds are \$2.2m and Reserve Funds are \$1.5m.

For the financial year to date ending 31 May 2011, interest earned on the Municipal and Trust Funds was \$2,531,124 against a revised budget of \$2,113,292. This represents a \$417,832 positive variance. Reserve Fund interest earned for the year ending 31 May 2011 was \$1,858,181 against a revised budget of \$1,433,333. This represents a positive variance of \$424,847.

Investment earnings received in respect to CDO investments since 1 July 2007 has been \$4.09m and \$2.77m in respect to ADIs.

In accordance with the Council's revised Investment Policy, any surplus investment returns derived as a result of investing in ADIs, CDOs, Bonds, Floating Rate Notes and Term Deposits when compared to the average 90 day Bank Bill rate, will be transferred to the Risk Management Reserve.

C11/6000 - INVESTMENT STATEMENTS (REC)

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

STRATEGIC, RISK AND ENVIRONMENTAL MANAGEMENT IMPLICATIONS

The Council's investment policy was constructed to minimise credit risk through investing in highly rated securities and diversification. The policy also incorporates mechanisms that protect the 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.

No other identifiable strategic, risk and environmental management implications.

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

Due however to the lack of an active market for CDOs, these investments must continue to be held.

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

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

POLICY IMPLICATIONS

Council Policy CP-009 – Investment of Funds.

The Investment Policy was reviewed and readopted at the Ordinary Meeting of Council held on 15 December 2009 and is considered to represent a low risk approach to investing.

ALTERNATE OPTIONS AND THEIR IMPLICATIONS

Not applicable.

C11/6000 - INVESTMENT STATEMENTS (REC)**CONCLUSION**

Whilst the situation regarding the CDO investments remains tenuous with the loss of one and the partial default/loss of three other CDO investments, the full impact of the book value devaluation of these investments was accounted for in the previous financial years. Due to the return to more normal credit market conditions, no further material devaluations are expected over the course of the current and future financial years.

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

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

The City also expects that the remainder of the ADIs will be repurchased by the issuing banks as they reach their call dates over the next 12 months.

OFFICER RECOMMENDATION (6000)**NOTING**

At 7.13pm Cr Ceniviva moved, seconded Cr Robartson -

That the Investment Report for the month of May 2011 be noted.

Amendment

At 7.17pm Cr Pazolli moved, seconded Cr Nicholson that the following words be added to the Officer Recommendation -

It is also noted that Denison Financial Advisory have qualified their CDO Valuations which are based on third party valuations most of which are provided by the CDO issuing institutions and Denisons do not guarantee or warrant those valuations.

At 7.27pm the Mayor submitted the amendment, which was declared

LOST (4/8)

Cr Pazolli requested that the votes be recorded –

For: Cr Barton, Cr Nicholson, Cr Pazolli, Cr Wieland
Against: Mayor R Aubrey, Cr Ceniviva, Cr Foxton, Cr Halton, Cr Reidy,
Cr Reynolds, Cr Robartson, Cr Subramaniam

C11/6000 - INVESTMENT STATEMENTS (REC)**OFFICER RECOMMENDATION & COUNCIL RESOLUTION (6000)**

At 7.29pm the Mayor submitted the Officer Recommendation -

That the Investment Report for the month of May 2011 be noted.

At 7.30pm the Mayor declared the motion

CARRIED (10/2)

C11/6001 – 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 : 2010/2011 Budget
 Responsible Officer : Khris Yeoh
 Senior Financial Accountant

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 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>

C11/6001 – 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 May 2011 and recommends that the Schedule of Accounts be noted.

BACKGROUND

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

DETAIL

The Schedule of Accounts for the period ending May 2011, [6001 May 2011](#) including Payment Registers numbers Cheques **225 to 229** and Electronic Funds Transfers **200 to 202** were distributed to the Members of Council on the 19 July 2011.

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

Supplier Name	Remittance Number	Remittance Details	Amount
Arborwest Tree Farm	E024384	Tree Supplier	\$31,460.00
Asphalt Surfaces Pty Ltd	E024307, E024080 & E023926	Road Resurfacing	\$62,913.19
Badge Constructions (WA) Pty Ltd	E024210	Melville Aquatic Fitness Redevelopment	\$117,824.45
Belgravia Leisure	E024143, E023976 & Chq 043702	Golf Course Green Fees for March & April 2011	\$46,364.28
Boomer Contract Management Pty Ltd	Chq 043739	Drainage Construction at Marmion Street	\$26,345.00
Boral Construction	E024283, E024260 & E023908	Road Resurfacing	\$449,554.83
Canon Australia Pty Ltd	E024123 & E024349	Photocopy Charges & Equipment	\$37,263.21
City of Cockburn	E024286 & E024062	Tip Fees for March & April 2011	\$126,151.69
CPD Group	E24244 & E024047	Refurbishment to Len Shearer Reserve	\$55,400.90
Dickies Tree Service	E024290 & E024064	Tree Lopping Service	\$144,994.30
Downer EDI Works Pty Ltd	E024422 & E024015	Road Resurfacing	\$590,447.59
Dowsing Concrete	E024053, E024277 & E024463	Concrete Works	\$226,436.76

C11/6001 – SCHEDULE OF ACCOUNTS (REC) (ATTACHMENT)

Excel Kerbing	Chqs 043724 & 043480	Mountable & Barrier Kerbing	\$33,311.85
Finesse Flooring	E023951	Replace Carpet at Operations Centre	\$45,936.00
Fire & Emergency Services Authority WA	E024213	ESL Remittance for April 2011	\$179,711.34
Flexi Staff	E024093, E024318 & E023938	Temporary Staff Hire	\$145,584.42
Fuji Xerox Australia Pty Ltd	E024133, E023966 & E024362	Photocopy equipment & charges	\$35,537.78
Glad Commercial Cleaning	E024420, E024196 & E024014	Cleaning Services	\$42,913.22
Gladstone MRM (Australia) Pty Ltd	E024370	Installation of Turnstiles	\$28,371.87
Jani King Pty Ltd	E024398 & E024165	Cleaning Services	\$25,938.70
Joondalup City Roofing Pty Ltd	Chq 043360	Renewal of Roof & Guttering at Canning Bridge Library	\$52,849.50
Mountway Melville Hyundai	Chqs 043407, 043643 & 043260	Purchase of four Hyundai i30 Wagons & Servicing Costs	\$93,533.71
Pearmans Electrical & Mechanical Services	Chqs 043333, 043482 & 043728	Electrical Services	\$94,723.66
Perth Engineering & Maintenance WA Pty Ltd	E024146	Gate Fees for Recyclable Materials for April 2011	\$90,679.15
Quayclean Australia Pty Ltd	E024412	Cleaning Services	\$47,146.68
Robinson Buildtech	E024262, E024302, E024075 & E023923	Various Building Maintenance Jobs	\$79,062.44
Southern Metropolitan Regional Council	E023983, E024388 & E024156	MSW Gate Fees for March & April 2011	\$881,641.19
Supersealing Pty Ltd	Chq 043719	Bitumen Sealing	\$48,629.90
Swimstrong	E023970, E024270 & E024369	Squad Coaching	\$31,375.70
Synergy	Chqs 043408, 043644 & 043262	Electricity Supply	\$332,473.83
Telstra Melbourne	Chqs 043354, 043502 & 043752	Telephone Service	\$26,564.94
Titan Ford	E024120, E023953 & E024346	PK Ranger Crew Cabs	\$34,309.15
Tree Amigos Tree Surgeons	E024411, E024187 & E024004	Tree Lopping	\$51,079.60
Wangara Volkswagen	Chq 043744	Volkswagen Golf MY11	\$38,177.21

C11/6001 – SCHEDULE OF ACCOUNTS (REC) (ATTACHMENT)

Western Australia Local Government Australia	E024161, E23987 & E024390	Advertisements	\$62,831.78
Western Educting Service	E023964 & E24360	Drainage & Educting	\$26,218.51
Western Power	Chq 043261	Attadale Underground Power Cash Call 5	\$800,000.00

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 2010/2011 Budget.

STRATEGIC, RISK AND ENVIRONMENTAL MANAGEMENT IMPLICATIONS

No other identifiable strategic, risk and environmental management implications.

POLICY IMPLICATIONS

Management Procedure 1.8 - Certification of Accounts.

ALTERNATE OPTIONS AND THEIR IMPLICATIONS

Not applicable.

CONCLUSION

This is a regular monthly report for Elected Members information.

C11/6001 – SCHEDULE OF ACCOUNTS (REC) (ATTACHMENT)**OFFICER RECOMMENDATION & COUNCIL RESOLUTION (6001)****NOTING**

That the Schedule of Accounts for the period ended May 2011 as approved by the Director Corporate Services in accordance with delegated authority DA-035, and detailed in attachment [6001 May 2011](#) be noted.

At 7.30pm the Mayor submitted the motion, which was declared

CARRIED EN BLOC (11/1)

C11/6002 – FINANCIAL STATEMENTS FOR MAY 2011 (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	:	Khris Yeoh - Senior Financial Accountant

AUTHORITY / DISCRETION

DEFINITION

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

KEY ISSUES / SUMMARY

- This report presents the financial statements for the period ending May 2011 and recommends that they be noted by the Council.
- This report presents budget amendments for the period ending May 2011 and recommends that they be adopted by Absolute Majority
- Money expended in an emergency:
 - As a result of a recent fire at the Civic Centre, unbudgeted expenditure of \$145,113 was expended from Municipal funds.

C11/6002 – FINANCIAL STATEMENTS FOR MAY 2011 (AMREC) (ATTACHMENT)
BACKGROUND

The Financial Statements for the periods ending May 2011 have been prepared and tabled in accordance with the Local Government (Financial Management) Regulations 1996 as amended.

DETAIL

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

To the end of May 2011, a net operating positive variance of \$6.56m was recorded. A net positive variance of \$6.87m was recorded against capital.

Variances

An analysis of the significant variances is included below.

	May Actual \$	YTD Revised Budget \$	YTD Actual \$	Current Commitments \$	Variance \$	Variance %	Annual Budget \$	Annual Revised Budget \$
Revenues								
Governance	265,645	1,326,650	1,508,704	-	182,055	14%	1,380,850	1,443,387
General Purpose Funding	901,361	6,090,040	7,457,132	-	1,367,092	22%	5,479,500	6,899,000
Education & Welfare	34,276	929,916	1,012,252	-	82,337	9%	1,033,841	1,013,841
Community Amenities	85,942	14,897,067	15,194,498	-	297,432	2%	14,910,850	14,964,850
Recreation and Culture	481,357	7,551,676	7,098,707	-	(452,969)	-6%	8,184,936	8,123,136
Transport	61,851	5,746,995	4,954,009	(523)	(793,508)	-14%	5,578,277	5,942,017
Other Property and Services	23,376	1,042,010	519,473	4,000	(518,537)	-50%	483,487	497,506
	1,887,698	40,279,932	40,437,417	2,750	160,235	0%	39,722,733	41,613,985
Expenses								
Governance	(515,925)	(14,011,234)	(12,419,361)	(620,900)	970,973	-11%	(15,011,328)	(15,054,353)
General Purpose Funding	(16,447)	(5,082,000)	(4,067,492)	(48,977)	965,530	-20%	(5,025,000)	(5,097,000)
Law, Order, Public Safety	(297,232)	(3,276,701)	(3,053,229)	(59,895)	163,577	-7%	(3,497,119)	(3,550,961)
Health	(81,345)	(893,262)	(768,210)	(9,532)	115,520	-14%	(912,131)	(965,721)
Education & Welfare	(432,852)	(5,232,740)	(4,737,661)	(95,734)	399,345	-9%	(5,854,237)	(5,713,220)
Community Amenities	(1,808,669)	(16,403,466)	(14,995,281)	(655,503)	752,683	-9%	(17,809,560)	(17,776,715)
Recreation and Culture	(1,705,315)	(22,477,807)	(21,089,061)	(510,296)	878,450	-6%	(24,325,221)	(24,543,885)
Transport	(702,462)	(8,429,540)	(7,455,110)	(358,792)	615,637	-12%	(9,478,996)	(9,325,077)
Other Property and Services	(186,885)	(2,868,343)	(2,438,121)	(173,063)	257,159	-15%	(3,024,740)	(3,014,739)
	(5,785,209)	(78,851,562)	(71,215,931)	(2,543,259)	5,092,373	-10%	(85,123,815)	(85,227,155)

Revenue

\$51.33m in Rates have been raised to 31 May 2011. This is compared with a year to date budget of \$51.36m, resulting in a negative variance of \$0.03m.

- Governance: 14% positive variance, from the sale of land at 429 Marmion Street.
- General Purpose Funding: 22% positive variance, due to increases in investment earnings and rates instalment interests. Council continues to receive above average returns from its investments.
- Education & Welfare: 9% positive variance, due to higher grant income from the Culturally and Linguistically Diverse Centre Based Care HACC funding.
- Community Amenities: 2% positive variance, due to more than budgeted activity in building licence fees.
- Recreation & Culture: 6% negative variance, due to incorrect phasing for grant funding for the Melville Aquatic Fitness Centre.
- Transport: 14% negative variance, due to incorrectly phased income for Waste Services and various other Road Grant funded projects.
- Other Property & Services: 50% negative variance, due to incorrect phasing on Fleet disposal income.

C11/6002 – FINANCIAL STATEMENTS FOR MAY 2011 (AMREC) (ATTACHMENT)**Expenditure**

- Governance: 11% positive variance, due mainly to higher insurance recoups and lower expenditures across various other administration costs.
- General Purpose Funding: 20% positive variance, due to lower expenditure in bank fees and charges.
- Law, Order, Public Safety: 7% positive variance, due mainly to lower expenditures in Community Security and the Safer City program.
- Health: 14% positive variance, due mainly to lower expenditures in Inspections and Binge Drinking Awareness projects.
- Education & Welfare: 9% positive variance, due to lower expenditures in various Community Development projects.
- Community Amenities: 9% positive variance, due mainly to lower expenditures in Waste services and various other Strategic Urban Planning projects.
- Recreation & Culture: 6% positive variance, due mainly to lower expenditures in Point Walter Golf and Reserve and the Vandalism & Graffiti project.
- Transport: 12% positive variance, due mainly to lower expenditures in Street Tree Pruning, Footpath Maintenance, Road Maintenance and various other projects.
- Other Property & Services: 15% positive variance, due to lower expenditures in Fleet costs. This is however understated somewhat by the recent fire at the Civic Centre which has resulted in expenditures to date of \$145,113.

Money Expended in an Emergency

As a result of a recent fire at the Civic Centre, unbudgeted expenditure of \$145,113 has been expended from Council's Municipal funds to date. This is expected to increase and it is anticipated that the majority of these costs will be recouped from our insurers in the 2011/12 financial year.

Some of the major expenditure items include:

- The removal of fire damaged items : \$29K
- Fire damage repairs to date : \$43K
- Purchase of a new scanner : \$60K

Officers will continue to report to Council, on the progress of expenditures.

Budget Amendments

Details of Budget Amendments requested during the month of May 2011 are shown in attachment [6002J May 2011](#). Some amendments have been carried out to transfer identified savings from one project to another and the creation of new budgets for new grant funding.

C11/6002 – FINANCIAL STATEMENTS FOR MAY 2011 (AMREC) (ATTACHMENT)

Rates Collections and Debtors

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

Rates, Refuse & FESA payments totalling \$591k were received over the course of the month. Rate collection progress for May was 0.3% below target.

The total sundry debtors balance decreased by \$250k over the course of the month. The 90+ day's debtor balance decreased from \$63k to \$43k.

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

DESCRIPTION	LINK
Statement of Financial Activity – May 2011	6002A May 2011
Operating Statements by Program – May 2011	6002B May 2011
Representation of Working Capital – May 2011	6002E May 2011
Reconciliation of Net Working Capital – May 2011	6002F May 2011
Notes on Operating Statements reporting on variances of 10% or greater – May 2011	6002H May 2011
Details of Budget Amendments requested – May 2011	6002J May 2011
Summary of Rates debtors – May 2011	6002L May 2011
Graph showing Rates collections – May 2011	6002M May 2011
Summary of general debtors aged 90 days old or greater – May 2011	6002N May 2011
Detail of Debts Written Off for the Month – May 2011	Not Applicable

C11/6002 – FINANCIAL STATEMENTS FOR MAY 2011 (AMREC) (ATTACHMENT)**Granting of Concession or Writing Off Debts Owed to the Council**

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

No debts were written off, for the period of May 2011.

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.

C11/6002 – FINANCIAL STATEMENTS FOR MAY 2011 (AMREC) (ATTACHMENT)

- (3) The information in a statement of financial activity may be shown-
- (a) according to nature and type classification;
 - (b) by program; or
 - (c) by business unit.
- (4) A statement of financial activity, and the accompanying documents referred to in sub-regulation (2), are to be-
- (a) presented to the Council-
 - (i) at the next ordinary meeting of Council following the end of the month to which the statement relates; or
 - (ii) if the statement is not prepared in time to present it to the meeting referred to in subparagraph (i), to the next ordinary meeting of Council after that meeting;
 - and
 - (b) recorded in the minutes of the meeting at which it is presented.
- (5) Each financial year, a local government is to adopt a percentage or value, calculated in accordance with AAS 5, to be used in statements of financial activity for reporting material variances.

The variance adopted by the Council at its meeting held on 22 June 2010, which also adopted the 2010/11 Budget, was 10% or \$50,000 whichever is greater.

Local Government Act 1995 Division 4 – General Financial Provisions Section 6.12; Power to defer, grant discounts, waive or write off debts.

The Local Government Act 1995 at S6.8(1)(c) provides that expenditure in an emergency can be authorised in advance by the Mayor. However S6.8(2)(b) requires that such expenditure is reported to the next ordinary meeting of the Council.

FINANCIAL IMPLICATIONS

A mid year budget review has taken place whereby Budget responsible officers were given the opportunity to review their operations and identify material permanent positive or negative variances like savings or operational efficiencies and increases in income or increases in expenditures.

A \$1.4m surplus has been identified as a result and the purpose to which this surplus is to be utilised will be determined at the end of the financial year. The City's Long Term Financial Plan identifies that a surplus of \$1.86m will be required at the conclusion of the 2010/2011 to help balance the 2011/2012 budget. When reviewing the income and expenditure year to date trends it is anticipated that, in the absence of any unforeseen emergencies, this level of surplus will be achieved.

STRATEGIC, RISK AND ENVIRONMENTAL MANAGEMENT IMPLICATIONS

No identifiable strategic, risk and environmental management implications.

C11/6002 – FINANCIAL STATEMENTS FOR MAY 2011 (AMREC) (ATTACHMENT)

POLICY IMPLICATIONS

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

CONCLUSION

The attached reports reflect a positive financial position of the City of Melville for May 2011.

OFFICER RECOMMENDATION & COUNCIL RESOLUTION (6002)

ABSOLUTE MAJORITY

At 7.31pm Cr Ceniviva moved, seconded Cr Halton -

1. That the Statements of Financial Activity and the Operating Statements for the period ending May 2011 as detailed in the following attachments be noted:

DESCRIPTION	LINK
Statement Of Financial Activity – May 2011	<u>6002A May 2011</u>
Operating Statements By Program – May 2011	<u>6002B May 2011</u>
Representation Of Working Capital – May 2011	<u>6002E May 2011</u>
Reconciliation Of Net Working Capital – May 2011	<u>6002F May 2011</u>
Notes On Operating Statements Reporting On Variances Of 10% Or Greater – May 2011	<u>6002H May 2011</u>
Details of Budget Amendments requested – May 2011	<u>6002J May 2011</u>
Summary Of Rates Debtors – May 2011	<u>6002L May 2011</u>
Graph Showing Rates Collections – May 2011	<u>6002M May 2011</u>
Summary Of General Debtors Aged 90 Days Old Or Greater – May 2011	<u>6002N May 2011</u>
Detail of Debts Written Off – May 2011	<u>Not Applicable</u>

2. That by Absolute Majority Decision the budget amendments, as listed in the Budget Amendment Reports for May 2011, as detailed in attachment [6002J May 2011](#), be adopted.

At 7.31pm the Mayor submitted the motion, which was declared

CARRIED BY ABSOLUTE MAJORITY (12/0)

14. EN BLOC ITEMS

At 7.32pm Cr Reynolds moved, seconded Cr Foxtan -

That the recommendations for items P11/3224, C11/8038, C11/5000 and C11/6001 be carried En Bloc.

At 7.32pm the Mayor submitted the motion, which was declared

CARRIED (11/1)

15. MOTIONS OF WHICH PREVIOUS NOTICE HAS BEEN GIVEN

Cr Barton submitted a Proposed Notice of Motion relating to the following -

15.1 Acquisition of Properties at 58 – 60 Murray Road, Bicton owned by Western Power

With respect to the properties located at 58-60 Murray Road, Bicton, Certificate of Title 38/238A, in the ownership of Western Power (formally the State Energy Commission) the following notice of motion is provided:

COUNCIL RESOLUTION

At 7.32pm Cr Barton moved, seconded Cr Wieland -

That the Council:

- 1. Formally approach Western Power with respect to 58-60 Murray Road Bicton, Certificate of Title 38/238A registering the City's interest in acquiring this property in the event that Western Power resolve to dispose of said property.**
- 2. Seek to establish a preferred buyer status with Western Power so that the City is provided with the first option to purchase the said property in the event that Western Power resolve to dispose of the property.**
- 3. Advise Western Power that this property is generally accepted by the community to be an open space reserve and whilst the property may be owned in freehold title by Western Power, in the event that the City should acquire the said property, its acquisition would be for the express purpose of the property being set aside as Local Open Space.**

At 7.39pm the Mayor submitted the motion, which was declared **CARRIED (12/0)**

Reasons

The residents of properties in streets adjoining the site are very concerned about the land being used a Western Power sub-station as it is in close proximity to a number of homes.

The residents and ratepayers in the area have attended two public meetings with Western Power in which they made these concerns very clear.

15.1 Acquisition of Properties at 58 – 60 Murray Road, Bicton owned by Western Power (Continued)

Western Power has informed them that they do not have an immediate intention of proceeding with a sub-station, but will review the situation within a few years.

Residents are being charged for the underground power currently being installed in the streets surrounding the park, and it would be inappropriate to install a major above-ground facility in this context.

Rooftop solar photovoltaic power generation is likely to offset any future increase in grid power demand.

The City has had use of the land during the approximately 40 years since it has been owned by Western Power, and has installed play equipment which is well used.

Southern Bicton has a shortfall of Local Open Space, and there is no other land readily available for purchase.

16. MOTIONS WITHOUT NOTICE BY ABSOLUTE MAJORITY OF THE COUNCIL

Nil.

17. MATTERS FOR WHICH THE MEETING MAY BE CLOSED

Nil.

18. CLOSURE

There being no further business to discuss, His Worship the Mayor declared the meeting closed at 7.40pm.