

**MINUTES**

**OF THE**

**ORDINARY MEETING OF THE COUNCIL**

**HELD ON**

**TUESDAY 16 AUGUST 2016**

**AT 6.30PM IN THE COUNCIL CHAMBERS**

**MELVILLE CIVIC CENTRE**

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**MINUTES OF THE ORDINARY MEETING OF THE COUNCIL HELD IN THE COUNCIL CHAMBERS, MELVILLE CIVIC CENTRE, 10 ALMONDBURY ROAD, BOORAGOON, COMMENCING AT 6.30PM ON TUESDAY, 16 AUGUST 2016.**

**1. OFFICIAL OPENING**

The Presiding Member welcomed those in attendance to the meeting and declared the meeting open at 6:30pm. Mr J Clark, A/Executive Manager Legal Services read aloud the Disclaimer that is on the front page of these Minutes and then His Worship the Mayor, R Aubrey, read aloud the following Affirmation of Civic Duty and Responsibility.

**Affirmation of Civic Duty and Responsibility**

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

**2. PRESENT**

His Worship the Mayor R Aubrey

**COUNCILLORS**

Deputy Mayor Cr C Schuster  
Cr N Pazolli,  
Cr M Woodall  
Cr R Aubrey, Cr D Macphail  
Cr P Phelan, Cr L O'Malley  
Cr T Barling, Cr N Foxtton  
Cr J Barton, Cr G Wieland

**WARD**

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

**3. IN ATTENDANCE**

Mr S Cope	A/Chief Executive Officer
Mr M Tieleman	Director Corporate Services
Mr J Christie	Director Technical Services
Mr G Ponton	A/Director Urban Planning
Ms C Young	Director Community Development
Mr J Clark	A/Executive Manager Legal Services
Mr N Fimmano	A/Governance and Compliance Program Manager
Ms C Newman	Executive Support and Governance Officer
Ms S Tranchita	Minute Secretary

At the commencement of the meeting there were five members of the public and two members from the Press representing the Melville Times and Fremantle Herald in the Public Gallery.

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

Nil

**4.2 APPROVED LEAVE OF ABSENCE**

Cr C Robartson – Bull Creek/Leeming Ward

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

Nil

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

Nil

At 6.57pm Cr Schuster left the meeting and returned at 7.00pm

## 6. QUESTION TIME

### 6.1 Ms E Nicholson, Applecross

The City of Melville's purchase of Collateralised Debt Obligations (CDO's)

#### Question 1

*What are the actual losses the City has sustained from the purchase and sale/default of all sixteen CDO'S?*

#### Response

When taking into account the investment earnings on CDO's prior to termination the City has not sustained any losses from the 16 CDO's.

In August 2012 the Council chose to sell two CDO investments which had a face value of \$3.8 million for the sale price of \$1.67 million thus crystallising a \$2.13 million loss. This loss has been covered by the investment earnings and recent settlements on CDO's.

#### Question 2

*I understand that some of the CDO's are still under litigation. Would you please provide the best estimate of expected losses on these CDO's? In the loss calculation, would you also please provide the expected legal and any other recovery costs which have been paid to date and which are expected to be paid in the future?*

#### Response

As advised in response to a question asked by Ms Nicholson at the Special Meeting of Council held 28 June 2016 the response indicated that the City expects to "achieve a full recoup of its losses." The agreed settlement amount and costs are subject to confidentiality provisions embodied in the Deed of Settlement and cannot be disclosed.

#### Question 3

*Would you please show the following information for each CDO*

- *Name*
- *Face Value*
- *Maturity Date*
- *Initial contracted interest rate/annum*
- *Date and amount of capital recovered by sale*
- *Interest received from the date of purchase to the date of sale or default*

**6.1 Ms E Nicholson, Applecross**Response

All information relating to CDO's including that requested above has been reported to the Council and can be found in the monthly Council Investment Statement Reports that are available on the City's website.

When distributions and settlements are finalised a full report, within the constraints of the confidentiality agreement will be presented to the Council and Ms Nicholson will be advised of the date of the Council meeting that this report will be presented to the Council.

**6.2 Mr G Crawford, Attadale**Question 1

How many qualified practicing lawyers does Council employ directly and who are they?

Response

The City has no requirement to disclose the qualifications of employees.

Question 2

When and who provided legal advice in relation to the proposed parking local parking laws amendments?

Response

No specific legal advice was received other than scrutiny of the document by the Department of Local Government and Communities. The adopted Local Law will be reviewed by the Western Australian Parliament's Joint Standing Committee on Delegated Legislation before it will be allowed.

Question 3

Other local government authorities initiate parking enforcement actions, particularly for persistent offenders, based on photographic or CCTV evidence versus relying solely on a Ranger's visual inspection. When does the City intend to adopt this best practice? If it not, why not?

Response

With any offence that occurs the authorised officer needs be satisfied there is enough evidence for prosecution. Part of this evidence gathering is the Ranger seeing the offence themselves or depending on the circumstances the acceptance of other evidence like a photo or CCTV along with a statement by the person that took the photo or released the CCTV. This person would also need to sign documentation stating they are willing to attend court if legal proceedings take place.

Any evidence provided would be considered and assessed by Rangers.

## 6.2 Mr G Crawford, Attadale

### Question 4

The MRRA's 22 June submission made a suggestion to "explicitly outline an adversely affected person's right of review, consistent with the Local Government Act 1995, in the event Council makes a decision that imposes any permanent restrictions on a resident's right to park on the road in front of their property or to park on their verge". The City's response stated that it is not necessary as this information is contained within the Local Government Act 1995. If this is deemed adequate please explain why the City failed to expressly notify the 103 -111 Reynolds Road Mt Pleasant residents and ratepayers of their rights of review, pursuant to Part 9 of the Local Government Act 1995, of Council's 2015 decision to prohibit parking on their verges and street fronts? What is Council doing to correct the failure?

### Response

The parking restrictions outside 103 – 111 Reynolds Road Mt Pleasant were installed due to a safety issue. Vehicles parked on the verge blocked the sight distance for vehicles exiting adjacent driveways. When vehicles were parked on the verge, the sight distance was below the minimum sight distances in Australian Standard AS/NZS 2890.1 and Austroads Guide to Road Design Part 3. Residents were informed of the installation of the restrictions and objections were investigated and responses provided including a review of the sight distances.

### Question 5

The MRRA has numerous examples of persistent parking problems being created as a result of residents not being able to practically accommodate their vehicles as required by the R- Codes at a minimum, including at least 2 vehicles in normal residential settings and/or planning requirements. What is the Council's policy and processes to enforce planning and building approvals compliance to minimize ongoing spill over on to public thoroughfares, the root cause of many parking problems?

### Response

The approach of the City to car parking provision is aligned to the minimum car parking requirements of the R Codes. Where car parking is provided in accordance with any planning approval issued, and that car parking remains available, there is no compliance issue for the City. Residents or visitors to residences may choose to park on the road, rather than on their property within approved car parking bays. This is a legitimate approach to car parking, provided there are no restrictions within the road to restrict such parking from taking place.

### Question 6

Given increasing housing densities what is the City doing to ensure dwellings are planned and built to practically accommodate all of the expected number of vehicles to reside at the property to be fully accommodated on those properties to prevent spill-over onto the street and a reduction in Amenity of the street (eg not create parking lots in front yards). When will the Council's planning policies be reviewed to properly address these issues; for example will Council policies ensure tandem parking is not accepted as a practical mean of parking 2 cars on any given lot?

**6.2 Mr G Crawford, Attadale**Response

The City ensures that car parking provision is aligned to the minimum R Codes requirements, irrespective of housing density and/or housing type. This approach ensures that the requisite numbers of resident bays are provided off the street, safeguarding amenity levels within those streets. It is noted of course that in the absence of specific restrictions or traffic regulations, the City does not exert control over the actual use of such bays, and residents and/or their visitors are free to choose to park on the street itself.

In respect to Council Planning Policies, in principle these are reviewed on a two year cycle, or more regularly as necessary. The R Codes contain provisions to regulate the extent to which residential frontages can be taken up with garaging; acknowledging the negative impacts that broad expanses of garages can have on the quality of streetscapes. On that basis, on narrow lots, with a frontage of less than 10.5m, it can be difficult to accommodate a single storey dwelling with a double width garage and still provide a design that meets the R Code streetscape objectives. In such cases a two storey design, or a single storey design with a single or tandem garage, can satisfy householder car parking requirements and still meet those streetscape objectives.

Question 7

The City's draft Community Discussion Paper p18 highlights that the method of election of the Mayor can also be changed, however the City has elected not to seek public comment on this point in time. Why has Council decided not to include, for the sake of completeness and efficiency, a review of the method of election of the Mayor pursuant to Part 2 Division 3 of the Local Government Act 1995 concurrent with the review of Ward Boundaries and Elected Member Representation?

Response

The review of Ward Boundaries and Elected Member Representation within the district is a statutory process required under Schedule 2.2 of the *Local Government Act 1995*.

There is no requirement for the City to review the method of filling the office of Mayor unless there is a specific desire from the Council or the community. Section 2.12A of the *Local Government Act 1995* provides guidance on the process to be followed.

The two processes are different and have been kept separate. The information contained on page 18 of the draft discussion paper advises the community of the current practice for election of the Mayor and that there is an alternative. The community is able to provide comments on the current practice as part of their submissions and should sufficient submissions raise the issue the matter may be further considered.

**6.3 Ms E Nicholson, Applecross**Question 1

*Since 20 March 2008, the CEO of the City of Melville, Dr Silcox, has had his contract of employment renewed four times (please see below for details of renewal dates). Would you please advise why the contract has been renewed early a total of 3 times over this period rather than once on expiry of the contract on 19.3.16 as is the usual business practice?*



**6.3 Ms E Nicholson, Applecross**

<b>Contract Date</b>	<b>Term</b>
6.12.07	20.3.08-19.3.13
22.6.11	20.3.11-20.3.16
17.6.14	20.3.14-20.3.19
<u>23.5.16</u>	<u>20.3.16-20.3.20</u>

Response

On all occasions the Council have determined that the commitment to a new contract to ensure continuity is in the best interests of the City and have acted accordingly for the following compelling history of achievements:

The Council values its management team and believes that the stability the CEO has brought to the organisation since 2008 has delivered outstanding results, like but not limited to, the following independent 3<sup>rd</sup> Party assessments at an International, National and State benchmarks;

- Top Local Government in this State. 99% for Financial Health as determined by the Department of Local Government and Communities.
- National Leader in Customer Service in Local Government at State and National Level as assessed by the Customer Service Institute Australia and we're about to hear about this year's assessment outcomes.
- Gold in the Australian Business Excellence Awards. This is one of Australia's top awards as assessed by the Business Excellence Foundation – this achievement was also recognised by the Governor of Western Australia.
- Continued accreditation against the stringent ISO Standards of Quality, Environment and Safety – one of a few nationally to maintain this level of international certification.
- Gold Excellence level in Occupational Health and Safety as assessed by LGIS Insurance Services.
- Platinum Award in Water Management as assessed by the Water Corporation.
- Award for Excellence in Playsafe as assessed by Parks and Leisure Australia.
- Australasian Organisation of the year award for Community Engagement and Core Values as assessed by International Association of Public Participation.
- Gold recognition for Local Government Disability Excellence as assessed by the Disability Services Commission.
- Young Men's Lifeskills National Public Sector winner as assessed by Suicide Prevention Australia.
- Accreditation and international status to 'Age Friendly' as assessed by the World Health Organisation.
- International Gold Award for the Most Livable City as assessed by the United Nations.
- International Community Sustainability Award, all categories, as assessed by the United Nations.
- Gold Excellence Award for Living Longer Living Stronger as assessed by the Council of the Aging.
- Commitment to Professional Development Industry Award as assessed by Department of Sport and Recreation.
- Planning Institute awards for Electronic Lodgements, Public Engagement at Willagee and Canning Bridge Vision as assessed by the Planning Institute of Australia.
- Human Resource Management Pinnacle Business Excellence Award as assessed by AIM and the West Australian.
- Overseen and supported the recovery of Collateralised Debt Obligation monies.

### 6.3 Ms E Nicholson, Applecross

As can be seen across many dimensions of running this City we have excelled as a City and a Council. Additionally, our CEO has been recognised with an Australian Honour - the Public Service Medal (one of only a few in this State), the Local Government CEO of the Year by the CCC and Institute of Public Administration, Customer Service CEO of the Year, the Order of Merit from the Institute of Company Directors, Officer Leadership Award from Enviro Australia, the Curtin Medal, and Local Government Honours for Commitment and Eminent Service.

That is why the Council chose to give the CEO new contracts.

*I refer to the draft Regional NRM Strategy and Business plan submitted to council on 18 June 2013 under the agenda item T13/3402 - Draft Regional Natural Resource Management (NRM) Strategy and Business Plan implementation.*

Council approved the payment of \$32,500/annum to assist with funding for a full-time facilitator (FTE) for the South West Group with the main role of that FTE to be to source large funds for regional, cross-council environmental projects.

#### Question 1

*To this end, was the FTE facilitator's position publicly advertised?*

#### Response

The role was advertised by public tender in the West Australian on 9 October 2013 through the City of Cockburn, who at the time had available capacity and resources to manage the tender process. A panel comprising the Director South West Group and City of Cockburn staff undertook the selection process for tenders received.

#### Question 2

*Who was employed?*

#### Response

Makai Enterprises

#### Question 3

*When was the person employed?*

#### Response

December 2013.

### 6.3 Ms E Nicholson, Applecross

#### Question 4

*What is/was the duration of the contract/term of employment?*

#### Response

12 month contract, with the option to extend for additional 12 months based on performance and funding.

#### Question 5

*What is the expiration date of that contract?*

#### Response

The current contract expires on 30 December 2016.

#### Question 6

*To date, has there been any success in gaining funding/grant monies by the South West Group FTE facilitator?*

#### Response

Grant funds secured through the project to date include:

- Regional Tramways Trail Project - \$23,000 from Lotterywest in November 2014 to employ consultant to prepare a trail development plan. Successfully negotiated the Department of Parks and Wildlife to prepare a signage strategy for the tramways trail to the value of \$25,000. Total value of the project is over \$80,000.
- Community Action Grant: Bird Friendly Gardens Education and Awareness Workshops – \$12,000 through the State NRM Office with workshops to be delivered in July and August in the region (City of Melville workshop is on 30 July 2016). Total project valued at \$59,000.
- CVA Green Army Project 2015 – The NRM Facilitator successfully brokered Green Army teams (3) to undertake NRM work in the region valued at around \$625,000, plus \$54,000 in materials.
- Light Industry Audit Project – NRM facilitator brokered support from the Swan River Trust and Department of Environment and Regulation (DER) for the City of Melville to receive \$55,000 worth of officer support to undertake light industry audits in the Myaree light industrial area. Funding sourced through the Caring for Our Country program.
- CVA Green Army Project 2016 – Pending application for Green Army teams (6) to undertake project “Regional Action to Protect and Improve Threatened Species Habitat” in the region valued at \$1.32 million with \$60,000 worth of materials. Outcome of application expected in August 2016.
- Fuel Load Assessment Training – Pending application for \$15,000 to undertake training of member Council staff on fuel load assessment through the Local Government Insurance Scheme (LGIS). Outcome of application expected by August 2016.

**6.3 Ms E Nicholson, Applecross**Question 7

*If so, would you please provide details as to how much has been secured, and details of how those grants (if any) have been used /will be used?*

Response

Refer above response to Question 6.

Question 8

*The council approved payment of \$32,500/annum was approved for 2013/14.*

Response

Correct.

Question 9

*Was it also approved for subsequent years?*

Response

Subsequent payments were approved for 2014/2015 and 2015/2016.

Question 10

*If so, for which years and for how much per annum?*

Response

\$32,500 per annum.

**6.4 Mr G Crawford, Attadale****Private Use of City of Melville vehicles**

The City owns, leases and maintains a large fleet of vehicles required to perform its functions; something that adds to the City's rate cost base.

The Mayor and, it appears, a large number of the City Staff use the City's vehicles for the purposes of performing their duties. However it appears that the Mayor and a large number of City staff use Council vehicles for private purposes that includes travelling to and from home (Private Use).

We note that the Mayor is provided a vehicle in accordance with CP-083 Provision of Mayoral Vehicle as provided on the City's web site. This policy references a number of other documents including; a written agreement detailing the terms and condition of the Mayor's use; the Vehicle Replacement Policy and Guidelines for use of City of Melville Vehicles. A search of the City's web site failed to locate a copy of the referenced documents.

**6.4 Mr G Crawford, Attadale**

Please confirm.

Question 1

When Council will provide a copy of the Mayor's agreement for the use of a City vehicle; the City's Vehicle Replacement Policy and the City's Guidelines for use of City of Melville vehicles. Why can't these be made available to all Residents and Ratepayers on the City's website along with the other Council policies?

Response

The City's website contains a substantial amount of information that is relevant to the wider Melville community. A single agreement for a specific purpose is not an appropriate document to include on the City's website. The City does place all Council policies on the website however operational documents are not provided by this City or other local governments as they related to administrative matters.

Question 2

How many Light Vehicles does the City have, what is the book value of these vehicles and what is the estimated total operational and maintenance cost for financial year end 30 June 2016?

Response

The City currently has 100 light vehicles. This includes both passenger vehicles and utilities.

Approximately \$715,741 (including depreciation expense of \$257,494) was spent on maintaining and operating these vehicles in 2015/2016.

The total written down value/book value for Light Vehicles as at 30 June 2016 is \$2,250,411.

Question 3

How many and what Staff use the Light Vehicles to travel to and from home?

Response

91 staff are able to travel home in these vehicles. This includes senior contract officers (CEO, Directors and Managers) and staff who have either paid private usage or commuter usage (generally coordinators and supervisors or staff who start or finish at a job site).

Question 4

How many and what Staff are allowed to use these vehicles beyond driving to and from home?

Response

49 staff have private use of their vehicles. This includes senior contract officers (CEO, Directors and Managers) and staff who have paid private usage of their vehicles.

**6.4 Mr G Crawford, Attadale**Question 5

What is the basis for the City allowing Private Use?

Response

Private use of vehicles is an important consideration in attracting and retaining staff. It is common practice across the public and private sector.

Question 6

How is compliance with the use policy monitored; have there been any non-compliances over the past 12 months?

Response

Compliance with the policy is monitored by management. There has been one non-compliance in the past 12 months.

Question 7

What limits are placed on private use of vehicles such as limits on private kilometres, for example excluding extended driving holidays?

Response

Non contract officers are required to seek approval to use their vehicle for any longer than one week. There are no limits on private km travelled whilst on leave although it is restricted to Western Australia.

Question 8

What is the estimated cost for the last financial year of allowing Private Use of City vehicles, inclusive of any Fringe Benefit Tax payable?

Response

The cost of providing private use of City vehicles is not determined separately from the total cost of maintaining and operating light vehicles

Fringe Benefit Tax for cars is \$245,450 (1 April 2015 – 31 March 2016)

Question 9

What is the total value of contributions recovered from Staff for the Private Use?

**6.4 Mr G Crawford, Attadale**Response

The total value of contributions recovered from Staff for the Private Use is \$58,850 is set at the same rate as the State Government.

Question 10

Over the last 2 years what has been the overall cost of the Mayor's vehicle, how is the Mayor's Private Use calculated, and exactly how much and when, has the Mayor contributed to the operating and maintenance costs?

Response

The Mayor's vehicle has cost \$24,602 to maintain and operate over the past two years inclusive of a provision of \$13,805 for depreciation?

The private use of this vehicle, as is the case with all City vehicles, is not determined. The Mayor contributes the standard rate of \$109 per fortnight for private use, as do other staff with paid private use privileges.

**Procurement of Products or Services Policy CP-23**

The City's Procurement of Products or Services Policy CP-23 states that where the value of a contract over the full life of the contract period is expected to exceed: \$ 50,000 at least three written quotes are required; and \$ 150,000 a tender is required.

Contracts for Products and Services may include contract for products or services ranging from: legal advisors, auditors, insurance, banking and financial services, consultants, individual contractors, private investigative services, fleet hire, construction materials, pool and facility maintenance, gardening services etc.

However the Directors and/or CEO may, at their discretion, waive the requirements to obtain three quotations. The Policy CP-023 does not expressly outline any criteria for exemption to the requirement to invite tenders for goods or services likely to exceed \$ 150,000.

The City, in its response to our 17 May 2016 questions to Council, stated that Clause 17 of the Regulations prescribes the form of the Tender Register that is kept and that it is made available for inspection by the public. Clause 17 states the tender register should include:

- A brief description of the goods and services required.
- Particulars of any notice by which expressions of interest were sought, any person who submitted an expression of interest; any list of acceptable tenderers that was prepared under regulation 23(4).
- A copy of the notice of the invitation to tender.
- The name of each tenderer whose tender has been opened.
- The name of the successful tenderer.
- The amount of the consideration sought in the tender accepted by the local government.

The City's response also stated that Clause 11 of the Local Government (Functions and General) Regulations 1996 (Regulations) prescribes when tenders have to and do not have to be publicly invited. The requirement to conduct a tender cannot be waived and the exemptions prescribed by the regulations are where:

**6.4 Mr G Crawford, Attadale**

- An emergency under section 6.8(1)c of the act is applied.
- WALGA Preferred Supplier Program or State Government CUA is used.
- It is unlikely that there is more than one potential supplier (sole supplier).
- Goods or services are supplied or obtained through the State Government, Commonwealth or a local government of a regional local government.
- Goods or services are supplied by an Australian Disability enterprise,
- Expressions of interest have been called,
- A contract is entered into by auction etc.

Please confirm

Question 1

The City response to question 5 of the 17 May 2016 questions to Council; that is: *“over the last two years how many single suppliers (including affiliates of that supplier) have provided Products and Services to a total value exceeding \$50,000 (3 quotes) and \$150,000 (tenders)... Who are those suppliers, what product or service where provided, what is the contract value to date.”* indicated it would take the questions on notice to see what report can be generated from the Council’s finance system. Given the question was asked almost 2 months ago can Council confirm when the report will be made available?

Response

The City wishes to state that there is no legislation that requires Local Governments to provide details of transactions conducted under the tender threshold. Staff have been able to generate a report however, that extracts data from the accounts payable system that shows suppliers that have sole supplier quote type status applied and have an aggregated total expenditure that exceeds \$50,000 and \$150,000 over the last two years. A copy of the report will be provided to the questioner.

Question 2

Post the 17 May 2016 Council meeting a MRRA representative attended the Council offices to inspect the publically available tender register pursuant to Clause 17 of the Regulations. On inspection of the Tender Register it was evident that it was not complete and up to date. It was difficult to ascertain all the successful tenderers and the value of the Products and Services procured since the beginning of 2015. The City officer was unable to answer the questions at the time. It appeared that there were about 20 tenders listed in the file for a value of ≈ \$ 3-4 million. Further clarification was requested on the day but has not yet been provided. For the period 1 January 2015 to 30 June 2016 please provide a summary of tenders invitations issued, who responded, who won the tender, what the value of the winning tender and what the final value of the contract was?

Response

The Tender Register 2015 was up to date at the time the MRRA representative sighted this folder, and had been signed off by the City’s external auditors only a few weeks prior.

Tenders that had not been advertised but which had numbers in the numerical sequence of the 2015 Tender Register folder (which was recorded by the MRAA representative) obviously had no details – this was explained at the time. It was also explained that procurements that are exempt from tender ie Western Australian Local Government Association do not appear in the register.



#### 6.4 Mr G Crawford, Attadale

The person attending made calculations and requested they be confirmed. The officer did not have a calculator and did not provide confirmation or a value.

An email request was received subsequent to the visit and several attempts to send a response to the email address provided by a Mr McLerie were made by the Executive Manager Legal Services during the period 3-7 June 2016. The emails were undeliverable. IT confirmed that the address provided could not receive emails. As a result the Executive Manager Legal Services then phoned the number provided and advised a person of the situation.

Under the requirements of the *Local Government Act 1995* the City has complied in full to provide a record of public tenders undertaken by the City. There is no further obligation to summarise the tender information that is contained in the folder. The folder is available for inspection again at any time during business hours.

#### Question 3

The Council Policy does not appear to expressly delegate authority to the CEO and Directors to exempt the requirement to seek tenders for Products and Services exceeding \$150,000.

#### Response

This statement is correct, the policy does not give authority to CEO and Directors to exempt the requirement to call tenders.

#### Question 4

Presumably Council has consciously decided to adopt a Procurement Policy that exceed any requirements set out in the Regulations and ensures more frequent market testing by the City itself?

3.1. Given this is the case why has Council accepted that the CEO and Directors have contravened CP-023 by allowing exemptions to the requirement for the City to routinely market test procurement of products and services exceeding \$150,000?

#### Response

The Council Policy is misunderstood by the questioner and the City can confirm that the requirements of legislation are met as examined by the City's Auditors.

#### Question 5

3.2. How does each Councillors satisfy themselves that WALGA preferred suppliers are the most competitive, represent the highest value for money and are the most sustainable option for the City of Melville?

#### Response

The Council cannot respond on behalf of each Councillor.

**6.4 Mr G Crawford, Attadale**Question 6

Since 1 January 2015 to 30 June 2016:

- 4.1. Which WALGA preferred suppliers have provided Products and Services to the City of Melville?

Response

The City has procured goods or services with 164 suppliers either under the State Common Use Agreements or WALGA preferred suppliers in the time period requested. The system report criteria does not distinguish between WALGA or State purchases. The time required to analysis each order would not be a productive use of the City's resources.

Question 7

- 4.2. When did WALGA last market test these suppliers.

Response

This question should be directed to the Western Australian Local Government Association.

Question 8

- 4.3. For each supplier: what was the nature of Product and Services provided, how many contracts were awarded to them and what was the total value of all those contracts.

Response

The approximate value of orders placed under State Government or WALGA in the time period specified was \$9.8 million incl GST. This figure is subject to constant variance due to live processing occurring in the finance system. WALGA and the State Government panels and common use agreements offer a range of services that can be accessed by Local Government. The report does not provide information on the exact nature of each supply undertaken unless an individual analysis was made of each of the orders raised as the supplier may be on multiple supply panels. There are over 4,200 line entries in the report generated due to the inclusion of backorders. It is not an appropriate use of the City's resources to delete all non-relevant lines to provide the number and nature of individual orders (contracts) awarded.

Question 9

- 4.4. Which of these suppliers are based locally within the City of Melville?

Response

The City does not have a "buy local" policy and undertakes purchases based on a best value for money principles. As such, the City does not categorise suppliers by location and does not have a report on this option.

**6.4 Mr G Crawford, Attadale**Question 10

Since 1 January 2015 to 30 June 2016:

- 5.1. Which suppliers were engaged through the State Government, Commonwealth, a local government or a regional local government or where an Australian Disability enterprise?

Response

Please refer to Question 8. It is not possible to distinguish between State Government and WALGA procurements.

Question 11

- 5.2. When were these suppliers last market tested?

Response

This question should be directed to the organisations mentioned above?

Question 12

- 5.3. For each supplier: what was the nature of Product and Services provided, how many contracts were awarded to them and what was the total value of all those contracts?

Response

Please refer to Question 8.

Question 13

- 5.4. Which of these suppliers are based locally within the City of Melville?

Response

As the City is unable to report on item 5.3 it is not possible to categorise suppliers by location.

## 7. AWARDS AND PRESENTATIONS

The Mayor presented to the Director of Community Development, an award received by the City of Melville for an 'outstanding rating' for customer service and achieving reaccreditation for the International Customer Service Standard ICSS: 2015-2020, which is the national benchmark for service excellence that stands up to the rigours of international competition and scrutiny.

The City was assessed by the Customer Service Institute of Australia and underwent a rigorous review process across every area of operation.

## 8. CONFIRMATION OF MINUTES

### 8.1 ORDINARY MEETING OF THE COUNCIL – 19 JULY 2016 Minutes 19 July 2016

#### **COUNCIL RESOLUTION**

At 7.03pm Cr Schuster moved, seconded Cr Aubrey –

**That the Minutes of the Ordinary Meeting of the Council held on Tuesday, 19 July 2016, be confirmed as a true and accurate record.**

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

**CARRIED UNANIMOUSLY (12/0)**

### 8.2 NOTES OF AGENDA BRIEFING FORUM – 2 AUGUST 2016 Notes 2 August 2016

#### **COUNCIL RESOLUTION**

At 7.03pm Cr Aubrey moved, seconded Cr Foxtan –

**That the Notes of the Agenda Briefing Forum held on Tuesday, 2 August 2016, be received.**

At 7.04pm the Mayor submitted the motion, which was declared

**CARRIED UNANIMOUSLY (12/0)**

### 8.3 FINANCIAL MANAGEMENT, AUDIT, RISK AND COMPLIANCE COMMITTEE – 8 AUGUST 2016

#### **COUNCIL RESOLUTION**

At 7.04pm Cr Wieland moved, seconded Cr Macphail –

**That the Minutes of the Financial Management, Audit, Risk and Compliance Committee Meeting held on Monday, 8 August 2016, be noted.**

**NB: Minutes to be confirmed at next meeting of the Financial Management, Audit, Risk and Compliance Committee.**

At 7.04pm the Mayor submitted the motion, which was declared

**CARRIED UNANIMOUSLY (12/0)**

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

Nil

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

Nil

**10. DEPUTATIONS**

Nil

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

At 7.04pm Cr Schuster moved, seconded Cr Phelan -

**That the applications for new leaves of absence submitted by Cr Barton and Cr Macphail on 16 August 2016 be granted.**

At 7.04pm the Mayor submitted the motion which was declared

**CARRIED UNANIMOUSLY (12/0)**

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

Nil

**13. PETITIONS**

Nil

**14 REPORTS FINANCIAL MANAGEMENT, AUDIT, RISK AND COMPLIANCE COMMITTEE MEETING – 8 AUGUST 2016**

The following item was presented by the Presiding Member of the Financial Management, Audit, Risk and Compliance Committee.

**CD16/8083 - INTERNATIONAL CUSTOMER SERVICE STANDARD (ICSS 2015-2020) ASSESSMENT REPORT (REC)**

Ward : All  
 Category : Operational  
 Subject Index : Customer Service Information  
 Customer Index : Customer Service Institute of Australia CSIA  
 Disclosure of any Interest : No Officer involved in the preparation of this report has a declarable interest in this matter.  
 Works Programme : Not Applicable  
 Funding : Not Applicable  
 Responsible Officer : Leanne Hartill  
 Manager Neighbourhood 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 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 &amp; policies.</i>
<input type="checkbox"/>	Review	<i>When the Council operates as a review authority on decisions made by Officers for appeal purposes.</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>
<input checked="" type="checkbox"/>	<b>Information</b>	<b><i>For the Council/Committee to note.</i></b>

**CD16/8083 - INTERNATIONAL CUSTOMER SERVICE STANDARD (ICSS 2015-2020) ASSESSMENT REPORT (REC)**

**KEY ISSUES / SUMMARY**

International Customer Service Standard Assessment report outlining achievements and opportunities for continued excellence in customer service delivery.

**BACKGROUND**

The City has been utilising the International Customer Service Standard (ICSS 2015-2020) since 2009 to *assess the efficiency and effectiveness of the City's strategy to deliver a differentiated value proposition to its customers and a sustainable return to its shareholders through the continuous improvement of its people, systems and business processes.*

The Standard measures an organisation's strategy across four perspectives:

- Financial
- Customer
- Business Process
- Learning and Growth

The diagram below shows improvement since 2009 based on the International Customer Service Standard audits.



*Note - in 2016 number of Standards increased from 25 to 27*

**CD16/8083 - INTERNATIONAL CUSTOMER SERVICE STANDARD (ICSS 2015-2020)  
ASSESSMENT REPORT (REC)****DETAIL**

The certification process is a two-step activity that involves first reviewing the material provided to the Customer Service Institute of Australia (CSIA) via the City of Melville (COM) internal self-assessment report. This is followed by a site visit that includes face-to-face meetings with operational staff, while viewing evidence of claims made in the self-assessment report.

In 2016, the City delivered an excellent result with the score showing that the organisation has improved its ranking by 0.45 (6%). This is an excellent result at the top of the ICSS scoring band, where increments are often measured in fractions of a percent. The City now seems well positioned to continue to leverage its performance and be recognised by its peers for achieving its vision ... *working together to achieve community wellbeing for today and tomorrow.*

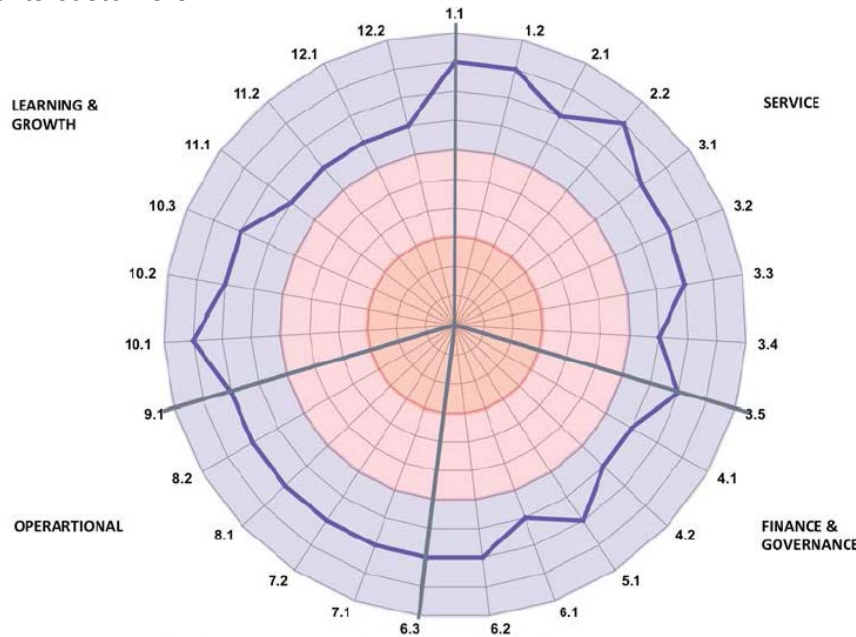
In addition, there are several scores of nine, placing the City firmly in the realm of national best practice for those attributes.

The assessment team was struck by the evident commitment of all staff to the 'Melville Way'; the set of guidelines that articulates the commitment to high levels of: customer service standards, customer response timeframes and customer service recovery actions.

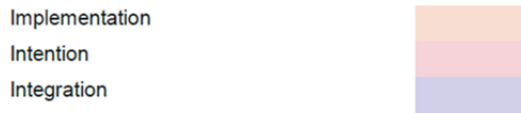


**CD16/8083 - INTERNATIONAL CUSTOMER SERVICE STANDARD (ICSS 2015-2020) ASSESSMENT REPORT (REC)**

The Radar Chart below shows a generally circular shape, indicating that most elements of the ICSS are being implemented and improved in a consistent fashion. The fact that this circle is at the top of the scoring range is clearly indicative of an organisation that has developed a good understanding of its position on the journey to delivering a leading customer experience to its customers.



This Radar Chart depicts the four perspectives and the distribution of scores across:



The result is that the City has been recertified at the Integration level of the International Customer Service Standard (ICSS) with an increased score. The score achieved was 7.85 and is an outstanding rating for an organisation that has maintained a high ICSS rating for several years.

**STAKEHOLDER ENGAGEMENT**

**I. COMMUNITY**

Not applicable.

**II. OTHER AGENCIES / CONSULTANTS**

Not applicable.

**CD16/8083 - INTERNATIONAL CUSTOMER SERVICE STANDARD (ICSS 2015-2020)  
ASSESSMENT REPORT (REC)**

**STATUTORY AND LEGAL IMPLICATIONS**

Not applicable.

**FINANCIAL IMPLICATIONS**

The cost of a three day on site assessment for re- accreditation is budgeted for every second year.

**STRATEGIC, RISK AND ENVIRONMENTAL MANAGEMENT IMPLICATIONS**

<b>Risk Statement</b>	<b>Level of Risk</b>	<b>Risk Mitigation Strategy</b>
Assessment against the international customer service standard is discontinued.	Moderate consequences which are likely, resulting in a <b>Medium</b> level of risk.	Budget allocation supported to ensure customer service re-accreditation continues.

**POLICY IMPLICATIONS**

Not applicable.

**ALTERNATE OPTIONS AND THEIR IMPLICATIONS**

Not applicable.

**CONCLUSION**

The City is maintaining its commitment, spelt out in its Customer Service Charter, of actively promoting a culture that tries to exceed customer expectations. This underlying commitment to providing the best customer experience enhances the culture being built within the organisation.

**OFFICER RECOMMENDATION AND COMMITTEE RESOLUTION (8083)**

**NOTING**

At 6.46pm Mayor Aubrey moved, seconded Cr Foxtan –

**That the Financial Management, Audit, Risk and Compliance Committee notes the outcome of the 2016 International Customer Service Standard (ICSS 2015-2020) Assessment Report.**

At 6.50pm the Presiding Member submitted the motion, which was declared

**CARRIED UNANIMOUSLY (7/0)**

**CD16/8083 - INTERNATIONAL CUSTOMER SERVICE STANDARD (ICSS 2015-2020)  
ASSESSMENT REPORT (REC)**

Cr Schuster requested permission to move an additional motion relating to this report.

**COMMITTEE RESOLUTION (8083)****APPROVAL**

At 6.55pm Cr Schuster moved, seconded Cr Macphail –

**That the Financial Management, Audit, Risk and Compliance Committee recommend to the Council that the Chief Executive Officer and staff be commended on the excellent outcomes contained in this report.**

At 6.55pm the Presiding Member submitted the motion, which was declared

**CARRIED UNANIMOUSLY (7/0)****COMMITTEE RECOMMENDATION AND COUNCIL RESOLUTION (8083)****APPROVAL**

At 7.06pm Cr Schuster moved, seconded Cr Macphail –

**That the Council, on the recommendation of the Financial Management, Audit, Risk and Compliance Committee, commend the Chief Executive Officer and staff on the excellent outcomes contained in this report.**

At 7.06pm the Mayor submitted the motion, which was declared

**CARRIED UNANIMOUSLY (12/0)**

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

**M16/5492 – REVIEW OF WARD BOUNDARIES AND ELECTED MEMBER REPRESENTATION 2016 (REC) (ATTACHMENT)**

Ward : All  
 Category : Operational  
 Subject Index : Ward Boundaries  
                                   Ward Management  
 Customer Index : City of Melville  
 Disclosure of any Interest : No Officer involved in the preparation of this report has a declarable interest in this matter.  
 Previous Items : C08/5037 – Report on Review of Ward Boundaries and Elected Member Representation Ordinary Meeting of Council - November 2008  
 Works Programme : Not Applicable  
 Funding : Not Applicable  
 Responsible Officer : Corrine Newman  
                                   Executive Support and Governance Officer

**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"/>	<b>Legislative</b>	<b><i>Includes adopting local laws, town planning schemes &amp; policies.</i></b>
<input type="checkbox"/>	Review	<i>When the Council operates as a review authority on decisions made by Officers for appeal purposes.</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>
<input type="checkbox"/>	Information	<i>For the Council/Committee to note.</i>

**M16/5492 - REVIEW OF WARD BOUNDARIES AND ELECTED MEMBER REPRESENTATION 2016 (REC) (ATTACHMENT)****KEY ISSUES / SUMMARY**

- Schedule 2.2 of the *Local Government Act 1995* requires that the ward boundaries and the Elected Member representation are reviewed at least every eight years.
- The City last undertook this review in 2008 and the same process has been followed on this occasion.
- Public submissions are to be invited on this review and a community discussion paper has been prepared for this purpose.
- A further report will be prepared at the conclusion of the community submission period so that the Council can consider all community submissions received.
- The final determination of Council will be presented to the Local Government Advisory Board in a written report. The Board will then make a recommendation to the Minister for Local Government and Communities, who has the final decision.

**BACKGROUND**

In accordance with Schedule 2.2 clause 6 of the *Local Government Act 1995*, local governments with wards are required to review their ward boundaries and the number of Elected Members for each ward at least every eight years.

- 6 *Local government with wards to review periodically*
- (1) *A local government the district of which is divided into wards is to carry out reviews of –*
- (a) *its ward boundaries; and*
  - (b) *the number of offices of councillor for each ward, from time to time so that not more than 8 years elapse between successive reviews.*

The City of Melville previously undertook a review of its ward structure and representation in late 2008 and therefore the next review is now due to be commenced.

**DETAIL**

The purpose of the review is to assess the current arrangements and evaluate a range of options to determine a system of representation that best suits the characteristics of the district and its community.

The review of ward boundaries and Elected Member representation will be undertaken in three parts. The first requires Council to resolve to undertake the review and initiate local public notice inviting comments from the community.

A local public notice requires that an advertisement be:

- a) published in a newspaper circulating generally throughout the district; and
- b) exhibited on the notice boards at the Civic Centre and at every local government library in the district.

The community will have a minimum of six weeks to make a submission.

**M16/5492 - REVIEW OF WARD BOUNDARIES AND ELECTED MEMBER REPRESENTATION 2016 (REC) (ATTACHMENT)**

Once the community submission period closes, a further report will be presented to Council to enable Council to consider all submissions and resolve further actions by an absolute majority. The City will then submit a written report to the Local Government Advisory Board.

The Local Government Advisory Board will make recommendation to the Minister for Local Government and Communities for a final decision. The Minister's determination will then be implemented prior to the 2017 Local Government Elections, where possible.

Schedule 2.2 of the Act specifies factors that must be taken into consideration in the review process. These include:

- Community of interest
- Physical and topographical features
- Demographic trends
- Economic factors; and
- The ratio of Councillors and Electors in the various wards.

A community discussion paper has been prepared to assist the community in understanding the factors that must be taken into consideration, the requirements of the process and outlines a range of alternatives that can be considered in addition to the existing ward structure.

The discussion paper details the current ward structure and Elected Member representation and provides information on the following options for consideration by the community:

- Option 1 – Maintain the Current Ward System and Ward Boundaries
- Option 2 – Divide the District into Two Wards
- Option 3 – Divide the District into Three Wards
- Option 4 – Divide the District into Four Wards
- Option 5 – Revised Six Ward District
- Option 6 – Abolish All Wards

The review is also required to consider options with regard to the number of Elected Members for the district and for each ward. The discussion paper provides information on retaining the existing number of Elected Members and reducing the number of Elected Members in various scenarios and the issues that should be considered. It should be noted that the Local Government Advisory Board considers the ratio of Elected Members to electors to be particularly significant and it is expected that the City will have similar ratios of electors to Elected Members across all wards.

The naming of wards will also be considered as part of this review to gauge the community's preference for the current naming arrangement or, should the wards be reconfigured, new names that may be considered by the Council in its final determination.

The discussion paper will be available to all members of the public on the commencement of the community submission period and a copy can be found in the link attached [5492 Ward Boundary Review Discussion Paper 2016](#)

**M16/5492 - REVIEW OF WARD BOUNDARIES AND ELECTED MEMBER REPRESENTATION 2016 (REC) (ATTACHMENT)****STAKEHOLDER ENGAGEMENT****I. COMMUNITY**

Schedule 2.2 clause 7 of the *Local Government Act 1995* requires the City to advertise the review and seek community submissions for a minimum of six weeks:

7. *Reviews*
  - (1) *Before carrying out a review a local government has to give local public notice advising –*
    - (a) *that the review is to be carried out; and*
    - (b) *that submissions may be made to the local government before a day fixed by the notice, being a day that is not less than 6 weeks after the notice is first given.*
  - (2) *In carrying out the review the local government is to consider submissions made to it before the day fixed by the notice.*

**II. OTHER AGENCIES / CONSULTANTS**

At the conclusion of the review, the Council is required to provide the Local Government Advisory Board with a written report for its consideration.

The Local Government Advisory Board will make a recommendation to the Minister for Local Government and Communities who has the final decision.

**STATUTORY AND LEGAL IMPLICATIONS**

The *Local Government Act 1995* schedule 2.2 clause 6 requires that every local government that has a ward system undertake a review of its wards and representation so that not more than eight years elapses between each review.

**FINANCIAL IMPLICATIONS**

There are costs associated with the advertising of the Ward Boundary and Elected Member Representation Review and provision has been made for these costs in the 2016-2017 budget.

**STRATEGIC, RISK AND ENVIRONMENTAL MANAGEMENT IMPLICATIONS**

The purpose of the legislated periodic reviews of ward boundaries and representation is to assess whether or not current arrangements best suit the characteristics of the district and its community and to make changes if required.

Effective Elected Member representation is linked to community engagement with the City and participation in Local Government Elections.

**M16/5492 - REVIEW OF WARD BOUNDARIES AND ELECTED MEMBER REPRESENTATION 2016 (REC) (ATTACHMENT)****POLICY IMPLICATIONS**

There are no policy implications associated with this report.

**ALTERNATE OPTIONS AND THEIR IMPLICATIONS**

The Council cannot decide to postpone the Review of Ward Boundaries and Elected Member Representation, as it is a legislated requirement that the review be undertaken within eight years of the last review, which concluded in November 2008. Should any changes be resolved, the Council would need to make submission to the Local Government Advisory Board in time for changes (where possible) to be in place prior to the 2017 Local Government Elections.

**CONCLUSION**

A review of the Ward Boundaries and Elected Member representation is required to be undertaken in 2016 to meet the requirements of the *Local Government Act 1995* and to ensure that the structure of wards and number of Elected Members meets the requirements of the district and the expectations of the community.

In undertaking the review, consideration needs to be given not only the legislative requirements, but also to the guideline of the Local Government Advisory Board that Elected Member to elector ratios will be similar in all Wards.

The discussion paper presents a number of options for consideration by the community, however other options are encouraged and any additional options that may be proposed will be thoroughly explored as part of the review process.

**OFFICER RECOMMENDATION AND COUNCIL RESOLUTION (5492)****APPROVAL****That the Council;**

- 1. Authorises the Chief Executive Officer to initiate the review of Ward Boundaries and Elected Member representation for the district by inviting public submissions in accordance with schedule 2.2, clause 7(1) of the *Local Government Act 1995* and make available the 'Review of Ward Boundaries and Elected Member Representation Community Discussion Paper' [5492 Ward Boundary Review Discussion Paper 2016](#)**
- 2. Requests that the Chief Executive Officer prepare a further report at the conclusion of the public submission period to enable the Council to consider any submissions received.**

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

**CARRIED UNANIMOUSLY EN BLOC (12/0)**



**M16/5497 – CONCLUSION OF LOCAL LAW REVIEW 2016 (AMREC)**

Ward	:	All
Category	:	Operational
Subject Index	:	Acts, Statutes and Local Laws
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	:	M16/5474 – Local Law Review – Ordinary Meeting of Council - April 2016
Works Programme	:	Not Applicable
Funding	:	Not Applicable
Responsible Officer	:	Corrine Newman Executive Support and Governance Officer

**AUTHORITY / DISCRETION**

**DEFINITION**

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<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"/>	<b>Legislative</b>	<b><i>Includes adopting local laws, town planning schemes &amp; policies.</i></b>
<input type="checkbox"/>	Review	<i>When the Council operates as a review authority on decisions made by Officers for appeal purposes.</i>
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<input type="checkbox"/>	Information	<i>For the Council/Committee to note.</i>

**M16/5497 – CONCLUSION OF LOCAL LAW REVIEW 2016 (AMREC)****KEY ISSUES / SUMMARY**

- The Council resolved at its meeting held 19 April 2016 to undertake a review of eight of its Local Laws in accordance with *Local Government Act 1995*.
- The community was invited to make submissions on the local laws.
- Relevant staff reviewed each local law to determine operational functionality and consistency with other legislation.
- The City has considered the submissions received and provides this report to the Council.

**BACKGROUND**

At the Ordinary Meeting of Council held 19 April 2016, Council resolved to initiate the review of the following local laws, in accordance with the requirements of the *Local Government Act 1995*:

- Activities in Thoroughfares, Public Places and Trading Local Law 2014;
- Local Law Relating to Street Numbering 2006;
- Local Government Property Local Law 2010;
- Health Local Law 1997;
- Local Law Relating to Firebreaks 1997;
- Dog Local Law;
- Local Law (By-Laws) Relating to Fences; and
- Health (Eating Houses) Local Law 2001.

The public submission period closed on Thursday 30 June 2016, with one submission being received.

**DETAIL**

The public submission period for the 2016 Local Law Review opened on 4 May 2016 and closed on 30 June 2016. One submission was received, which relates to the *Health Local Law 1997*.

In addition to the public submission period, relevant staff met to review each local law and determine if any amendments were required to ensure operational functionality. The outcome of each local law review is detailed below:

**1. Activities in Thoroughfares, Public Places and Trading Local Law 2014**

At the close of the public submission period no submissions had been received.

The Activities in Thoroughfares, Public Places and Trading Local Law has been reviewed by staff. Some inconsistencies between the local law and current policies have been identified and it is considered that revision of the penalties should be undertaken. This local law could also be reviewed to promote local businesses and encourage vibrancy and active streets in our activity centres. The City should commence the process to review and amend this local law in accordance with section 3.12 of the *Local Government Act 1995*.

**M16/5497 – CONCLUSION OF LOCAL LAW REVIEW 2016 (AMREC)**

**2. Local Law Relating to Street Numbering 2006**

At the close of the public submission period no submissions had been received.

The Local Law Relating to Street Numbering has been reviewed by staff. The Local Law refers to the *Town Planning and Development Act 1928*, which has been repealed. Policy CP-068 Street Numbering provides guidance to staff on street numbering. The City should commence the process to review and amend the Local Law Relating to Street Numbering 2006.

**3. Local Government Property Local Law 2010**

At the close of the public submission period no submissions had been received.

The Local Government Property Local Law 2010 has been reviewed by staff. Some clauses could be revised to ensure better functionality of the local law. The City should commence the process to review and amend this local law in accordance with section 3.12 of the *Local Government Act 1995*.

**4. Health Local Law 1997**

At the close of the public submission period one submission had been received:

1	Request for the introduction of Local Law to prosecute offenders who deliberately entice wildlife to built up areas and placing residents at risk to a variety of diseases and infections.
---	--

The Public Health Bill 2014 was given Royal Assent on 35 July 2016 and the following summary is provided from the Western Australian Parliament website:-

*“The Bill will also have the effect of streamlining the mechanisms for local governments to make local laws with respect to matters relating to public health. At present numerous separate provisions of the Health Act 1911 authorise the making of local laws about a vast array of subject matters relevant to public health. These provisions reflect historical arrangements and pre-date the framework provided by the Local Government Act 1995. As the local law making power provided by the Local Government Act 1995 is sufficiently broad to support local laws relevant to public health matters, a separate local law making power is not required and as such, is not provided by the Bill.*”

**M16/5497 – CONCLUSION OF LOCAL LAW REVIEW 2016 (AMREC)**

*Existing local laws that are made under the Health Act 1911 will require review and, where necessary, will be re-made under the Local Government Act 1995. This provides an important opportunity for local government to reform local laws that have been in effect for many years and that may be as outdated and inappropriate as the present Health Act 1911. This work will be supported by the development of model local laws by the Local Laws Working Group, which includes representatives from the Department of Health, Department of Local Government and Communities and the WA Local Government Association.”*

The *Health Local Law 1997* has been reviewed by staff. The provisions within the local law are sufficient to address the current requirements of the City. Given that major changes to the *Health Act 1911* are imminent which will result in a major review of the Health Local Laws across local government, no changes are suggested at this time, as it is considered that the future review will address the concerns raised in the public submission.

**5. Local Law Relating to Firebreaks 1997**

At the close of the public submission period no submissions had been received.

The Local Law Relating to Firebreaks has been reviewed by staff. There are some inconsistencies in the information contained within the local law which creates some ambiguity. The City should commence the process to review and amend this local law in accordance with section 3.12 of the *Local Government Act 1995*.

**6. Dog Local Law**

At the close of the public submission period, no submissions had been received.

The Dog Local Law has been reviewed by staff. The penalties associated with this local law have not been reviewed since 2010, and changes to the *Dog Act 1976* require these to be reviewed. In addition Schedule 5 “Areas in Which Dogs Must be Under Control” requires review. The City should commence the process to review amend the Dog Local Law in accordance with section 3.12 of the *Local Government Act 1995*.

**7. Local Law (By-Laws) Relating to Fences**

At the close of the public submission period no submissions had been received

The By-Laws Relating to Fences has been reviewed. This Local Law (or clauses within the Local Law) is required to be retained to support the *Dividing Fences Act 1961*. Consideration needs to be given to recent changes to the Building Regulations 2012 (effective May 2016) that relate to boundary fencing meeting specific requirements when being a barrier to swimming pools. The City should commence the process to review and amend the By-Laws Relating for Fences in accordance with section 3.12 of the *Local Government Act 1995*.

**M16/5497 – CONCLUSION OF LOCAL LAW REVIEW 2016 (AMREC)****8. Health (Eating Houses) Local Laws 2001**

At the close of the public submission period, no submissions had been received.

The Health (Eating Houses) Local Law 2001 has been reviewed. The Local Law is made with reference to Division 3, Section 160 of the *Health Act 1911*. This section of the *Health Act 1911* has been deleted. As the primary legislation associated with this Local Law no longer exists the City should commence the process to repeal the Health (Eating Houses) Local Law 2001 in accordance with section 3.12 of the *Local Government Act 1995*.

The Council's endorsement of this report will conclude the Local Law Review 2016 and meets the requirements of the section 3.16 of the *Local Government Act 1995*.

Further work on each local law as identified in this report will need to be undertaken in accordance with section 3.12 of the *Local Government Act 1995* and will require further reports to be presented to the Council outlining any proposed changes and further community consultation prior to final endorsement by the Council.

**STAKEHOLDER ENGAGEMENT****I. COMMUNITY**

In accordance with clauses 3.16(2) and (2a) of the *Local Government Act 1995*, the City gave Statewide notice of its intention to review its Local Laws and invited submissions from the community on any of the Local Laws under review with an advertisement placed

- in the West Australian Newspaper on 4 May 2016
- in the Melville Times, which circulates in the district, on 10 May 2016;
- on the Noticeboards at each of the City of Melville libraries
- on the Noticeboard at the Civic Centre; and
- on the City of Melville website.

Submissions were received from the community until 5pm on Thursday 30 June 2016.

**II. OTHER AGENCIES / CONSULTANTS**

Not applicable.

**STATUTORY AND LEGAL IMPLICATIONS**

The *Local Government Act 1995* s3.16 (1) requires that, within eight years from the day when a local law commenced or a report of the review of the local law was accepted under that section, a local government is to carry out a review of the local law to determine whether or not it considers that it should be repealed or amended.

The last local law review was endorsed by the Council at its 17 November 2009 Ordinary Meeting.

**M16/5497 – CONCLUSION OF LOCAL LAW REVIEW 2016 (AMREC)****FINANCIAL IMPLICATIONS**

There will be costs associated with the advertising of the review of each local law and the gazettal of amendments and repeals. These costs can be accommodated within the 2016-2017 budget.

**STRATEGIC, RISK AND ENVIRONMENTAL MANAGEMENT IMPLICATIONS**

The requirement for periodic reviews of local laws is linked to the orderly governance and management of the organisation and to ensure the applicability and relevance of local laws within the City.

A periodic review of the City's Local Laws is a requirement of the *Local Government Act 1995*. It ensures that local laws are kept up to date and relevant. It also provides a regular opportunity for the local government to analyse the usefulness of their local laws and to identify gaps in legislation.

Adequate local laws allow for protection of members of the community through the regulation of activities in controlled parameters. It is therefore a requirement that local laws are relevant, easy to understand and adequate.

**POLICY IMPLICATIONS**

Policies associated with each of the local laws will need to be reviewed and amended as required to ensure they are complementary to each local law adopted.

**ALTERNATE OPTIONS AND THEIR IMPLICATIONS**

Not applicable.

**CONCLUSION**

This report concludes the requirement of section 3.16 of the *Local Government Act 1995*, for the City to review its local laws at least every eight years, and identifies amendments required to ensure that the City's local laws are operationally function and meet the needs of the community.

Amendments to any local laws as a result of the review process will be the subject of future reports to Council for consideration.

**M16/5497 – CONCLUSION OF LOCAL LAW REVIEW 2016 (AMREC)****OFFICER RECOMMENDATION AND COUNCIL RESOLUTION (5497)  
ABSOLUTE MAJORITY**

At 7.07pm Cr Wieland moved, seconded Cr Aubrey –

**That the Council;**

1. **Endorses the outcome of the City of Melville Local Law Review 2016 and that the following local law be retained without amendment:**
  - **Health Local Law 1997.**
  
2. **Endorses the outcome of the City of Melville Local Law Review 2016 and that the following local laws require amendment:**
  - **Activities in Thoroughfares, Public Places and Trading Local Law 2014**
  - **Local Law Relating to Street Numbering 2006**
  - **Local Government Property Local Law 2010**
  - **Local Law Relating to Firebreaks 1997**
  - **Dog Local Law**
  - **Local Law (By-Laws) Relating to Fences**
  
3. **Endorses the outcome of the City of Melville Local Law Review 2016 and that the following local law be repealed:**
  - **Health (Eating Houses) Local Laws 2001.**

At 7.07pm the Mayor submitted the motion, which was declared

**CARRIED UNANIMOUSLY BY ABSOLUTE MAJORITY (12/0)**

**M16/5498 - REVIEW OF DELEGATED AUTHORITY – DA-020 PLANNING AND RELATED MATTERS (AMREC) (ATTACHMENT)**

Ward : All  
 Category : Strategic  
 Subject Index : Delegated Authority  
 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 : M16/5477 Review of City of Melville Delegated Authority Manual – Ordinary Meeting of Council 17 May 2016  
 Works Programme : Not Applicable  
 Funding : Not Applicable  
 Responsible Officer : Jeff Clark  
 Governance and Compliance Program Manager

**AUTHORITY / DISCRETION**

**DEFINITION**

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



**M16/5498 - REVIEW OF DELEGATED AUTHORITY – DA-020 PLANNING AND RELATED MATTERS (AMREC) (ATTACHMENT)****KEY ISSUES / SUMMARY**

- This report seeks the Council's consideration in reviewing and adopting amendments to DA-020 Planning and Related Matters to permit officers to perform functions within a prescribed parameter.
- The report has been required to ensure references to Community Planning Scheme No 5 are removed from DA-020 and replaced with references to Local Planning Scheme 6.

**BACKGROUND**

The *Local Government Act 1995* (The Act) provides for the delegation of certain powers and duties to certain Committees (Sections 5.16 and 5.17) and the Chief Executive Officer (Sections 5.42 and 5.43). The Chief Executive Officer may, unless prohibited by the Council's instrument of delegation, further on-delegate powers and duties to employees (Section 5.44).

The Act also provides for a delegations register to be maintained and reviewed each financial year (Section 5.46). Council Officers have reviewed delegation DA-020 Planning and Related Matters and this report requests the Council to review the amendments made to DA-020 Planning and Related Matters as submitted by officers.

**DETAIL**

It is necessary to review all current delegations to ensure, in the first instance, that they are consistent with the legislation and secondly, that they are, still necessary. Although the provisions of the *Local Government Act 1995* do not affect delegations made under other legislation, it is also considered an appropriate time to review those delegations.

"Delegated Authority" refers only to those powers or duties required by legislation and are often referred to as statutory delegations. Generally, these delegations of authority will be made to the Chief Executive Officer who may then on-delegate to such person or persons as he considers appropriate.

.Delegation DA-020 has been reviewed again due to the gazettal of Local Planning Scheme 6 (LPS6). The various amendments as a consequence of the gazettal of LPS6 are listed below and are recommended for adoption.

**1. Under Description:**

Dot point 1 – Delete "(other than applications requiring Special Majority or Absolute Majority decisions of Council);"

Dot point 3 – Delete "Community Planning Scheme No. 5" and relace with "Local Planning Scheme No 6".

**M16/5498 - REVIEW OF DELEGATED AUTHORITY – DA-020 PLANNING AND RELATED MATTERS (AMREC) (ATTACHMENT)**

2. Under Subject to the following restrictions and conditions,  
Number 1- Delete – “CP-044 Development Advisory Unit and”
3. Under Delegated Authority Matrix for Planning Matters  
Rows two and three - Delete - CPS5 (and do not require an Absolute or Special Majority decision) and replace with LPS6.  
Row four – Delete CPS5 and replace with LPS6
4. Under Notes:  
Delete - (a) Development application which require Absolute or Special Majority decisions Council under CL.4.2 of CPS5 are referred to Council for determination  
Amend (c) by deleting “Community Planning Scheme” and replace with “Local Planning Scheme.”
5. A footnote has been added advising that the Minister for Lands the Hon. Terry Redman MLA, has recently approved new and more streamlined arrangements to allow Local Government Authority CEOs to sign selected Development Applications, without need of referral to the Department of Lands.

**STAKEHOLDER ENGAGEMENT****I. COMMUNITY**

No external public consultation has been carried out as these delegations are considered to be an internal matter requiring only the Councils consideration

**II. OTHER AGENCIES / CONSULTANTS**

The City of Melville Delegated Authority Manual has been modelled on the Department of Local Governments guidelines introduced in the February 2007. These guidelines were prepared in collaboration between Department of Local Government Staff, McLeod's Barristers and Solicitors, and officers from various local governments including the City of Melville.

**STATUTORY AND LEGAL IMPLICATIONS**

The following are the key issues under the The Act affecting delegated authority:

- Delegations (to Committees and the Chief Executive Officer) must be made by an absolute majority decision [s.5.16 (1) and s.5.42 (1)].
- Delegations (whether to Committees or the Chief Executive Officer) must be in writing, and may be general or as otherwise provided in the instrument of delegation [s.5.16(2), s.5.42(2) and s.5.44(2)].

**M16/5498 - REVIEW OF DELEGATED AUTHORITY – DA-020 PLANNING AND RELATED MATTERS (AMREC) (ATTACHMENT)**

- All Delegations will have effect for the period of time specified in the delegation, or if not specified, indefinitely. Any decision to amend or revoke a delegation must be by absolute majority [s.5.16 (3)].
- Any of the Council powers or duties under The Act can be delegated to a Committee comprising Council members only, EXCEPT any power or duty requiring absolute or special majority decisions; or any other power or duty as prescribed [s.5.17 (1)(a)].
- Delegations **CANNOT** be made to Committees comprised of “other persons” only [s.5.9 (2)(f)] (i.e. with no council members or employees). Following from this, delegations cannot be made to a committee comprised of employees only [such a committee cannot exist by virtue of s.5.9 (2)].

A Local Government may delegate to the Chief Executive Officer, by absolute majority, any of its powers or duties under The Act [s.5.42(1)], EXCEPT those identified in s.5.43 as listed below:

- (a) any power or duty that requires an absolute or special majority decision or seventy five percent (75%) majority of the Local Government;*
  - (b) accepting a tender which exceeds an amount determined by the Local Government;*
  - (c) appointing of an auditor;*
  - (d) acquiring or disposing of any property valued at an amount exceeding an amount determined by the local government;*
  - (e) any powers under s.5.98 (fees for Council Members), s.5.99 (annual fee for Council Members in lieu of fees for attending meetings), or s.5.100 (payments for certain Committee Members);*
  - (f) borrowing money on behalf of the local government;*
  - (g) hearing or determining an objection of a kind referred to in s9.5*
  - (ha) the power under section 9.49A(4) to authorise a person to sign documents on behalf of the Local Government*
  - (h) any power or duty requiring the approval of the Minister or the Governor;*
  - (i) such other powers or duties as may be prescribed.*
- *Any powers or duties which can be delegated to the Chief Executive Officer in accordance with s.5.42 and s.5.43, can be delegated to a Committee comprising Council members and employees [s.5.17(1)(b)]. Further, the Chief Executive Officer may delegate to any employee any of these powers or duties (other than the power of delegation) [s.5.44(1)]*
  - *Any powers or duties that are necessary or convenient for the proper management of the City of Melville’s property or related to an event in which the City of Melville is involved, can be delegated to the following types of Committee:*

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- (i) *comprised of council members, employees and other persons*
  - (ii) *comprised of council members and other persons*
  - (iii) *comprised of employees and other persons [s.5.17(1)(c)]*
- *Registers must be kept of all Delegations made to Committees, the Chief Executive Officer and employees, and such Delegations are to be reviewed at least once every financial year. [s.5.18, s.5.46(1) & (2)]*
  - *The Chief Executive Officer and any other employee who has been delegated a power or duty under The Act is required to keep a written record of:*
    - (i) *how and when the power was exercised or the duty discharged*
    - (ii) *the persons or classes of persons directly affected (other than Council or Committee members, or employees) by the use of the delegation [s.5.46(3) and Reg. 19].*

**FINANCIAL IMPLICATIONS**

Should the Council choose not to delegate authority to its officers, additional financial cost will be incurred in the extra administrative resources that would need to be applied in order to prepare reports seeking authorisation for individual actions from the Council.

**STRATEGIC, ENVIRONMENT AND RISK MANAGEMENT IMPLICATIONS**

<b>Risk Statement</b>	<b>Level of Risk</b>	<b>Risk Mitigation Strategy</b>
An issue arises that requires urgent attention of officers to ensure public safety.	Moderate consequences which are almost certain, resulting in a <b>High</b> level of risk.	Implementation of delegation of power to authorise officers to enter site to make a situation safe.
That officers exercise a delegation that results in a decision being made that is contrary to the wishes of the Council	Moderate consequences which are unlikely resulting in a <b>Medium</b> level of risk.	Clear Council policy is established to guide delegated officers/committees in the exercise of the delegation.

**POLICY IMPLICATIONS**

A number of Council policies adopted by the Council have enabling delegation to the Chief Executive Officer who in turn may on-delegate to other officers.

**M16/5498 - REVIEW OF DELEGATED AUTHORITY – DA-020 PLANNING AND RELATED MATTERS (AMREC) (ATTACHMENT)****ALTERNATE OPTIONS AND THEIR IMPLICATIONS**

All delegations are subject to the discretion of the Council and can be removed at any time. The Council may choose to remove delegations which in turn will then require formal consideration of relevant matters or items at the next available meeting of the Council.

Should delegations to officers not be granted, customers would experience increased delay in obtaining approvals and authorisations.

**CONCLUSION**

It is important to note that major decisions or actions made under delegation are as a matter of procedure referred on to Elected Members for their information. In addition whilst many decisions may be procedural, circumstances may make a decision contentious and therefore may be referred onto the Council for formal decision despite the enabling delegation.

With the recent gazettal of Local Planning Scheme No.6, it was considered appropriate for DA-020 Planning and Related Matters to be amended to reflect Local Planning Scheme No.6.

**OFFICER RECOMMENDATION (5498)****ABSOLUTE MAJORITY**

At 7.08pm Cr Macphail moved, seconded Cr Aubrey (Cr Macphail withdrew as mover of the motion)

At 7.11pm Cr Foxtton moved, seconder Cr Aubrey -

**That the Council by Absolute Majority decision adopts the amended Delegated Authority as attached 5498 Delegated Authority – DA-020 Planning and Related Matters**

**Amendment 1**

At 7.09pm Cr Pazolli moved

That the Council amends Delegated Authority DA-020 Planning and Related Matters as presented, however, Point 1 of the description, remain unchanged.

At 7.16pm the Amendment was withdrawn prior to calling for a seconder.

**Amendment 2**

7.17pm Cr Schuster moved, seconder Cr Pazolli -

**That this matter be deferred to an Elected Members Information Session for further discussion before being presented to the Council again for consideration.**

At 7.22pm the Mayor submitted the amendment, which was declared

**CARRIED (11/1)**

**M16/5498 - REVIEW OF DELEGATED AUTHORITY – DA-020 PLANNING AND RELATED MATTERS (AMREC) (ATTACHMENT)**

<b>Vote Result Summary</b>	
Yes	11
No	1

<b>Vote Result Detailed</b>	
Cr Barling	Yes
Cr Barton	Yes
Cr Foxtton	Yes
Cr Macphail	Yes
Cr O'Malley	Yes
Cr Pazolli	Yes
Cr Phelan	Yes
Cr Schuster	Yes
Cr Wieland	Yes
Cr Woodall	Yes
Mayor Aubrey	Yes
Cr Aubrey	No

**COUNCIL RESOLUTION (5498)**

At 7.23pm the Mayor submitted the substantive motion as amended -

**That this matter be deferred to an Elected Members Information Session for further discussion before being presented to Council again.**

At 7.23pm the Mayor declared the motion

**CARRIED (11/1)**

<b>Vote Result Summary</b>	
Yes	11
No	1

<b>Vote Result Detailed</b>	
Cr Barling	Yes
Cr Barton	Yes
Cr Foxtton	Yes
Cr Macphail	Yes
Cr O'Malley	Yes
Cr Pazolli	Yes
Cr Phelan	Yes
Cr Schuster	Yes
Cr Wieland	Yes
Cr Woodall	Yes
Mayor Aubrey	Yes
Cr Aubrey	No

**REASONS**

To allow Elected Members to discuss the proposed delegations and their relationship to the Local Planning Scheme 6 and associated Policies.



**M16/5499 – ADOPTION OF THE PROPOSED CITY OF MELVILLE PARKING LOCAL LAW  
2016 (AMREC) (ATTACHMENT)****KEY ISSUES / SUMMARY**

- The Council has resolved to commence the process to make a new Parking Local Law at its Ordinary Meeting held 19 April 2016.
- In accordance with the requirements of the *Local Government Act 1995*, the proposed new local law was advertised to the community and the community were given the opportunity to make comment on the proposed local law.
- The Department of Local Government and Communities has provided comment on the proposed local law.
- All submissions on the local law have been considered and the local law amended accordingly.
- This report seeks the Council's endorsement, by absolute majority, to continue the process to create the City of Melville Parking Local Law 2016, in accordance with the requirements of the *Local Government Act 1995*.

**BACKGROUND**

In April 2016, the Council considered the proposed City of Melville Parking Local Law and resolved to commence the process to make the new local law:

*“That the Council:*

1. *Authorises the Chief Executive Officer to advertise the proposed City of Melville Parking Local Law 2016 as contained in 5475 Draft City of Melville Parking Local Law for public comment, in accordance with the requirements of section 3.12(3) of the Local Government Act 1995.*
2. *Requests that a copy of the proposed City of Melville Parking Local Law 2016 be forwarded to the Minister for Local Government in accordance with section 3.12(3) of the Local Government Act 1995.*
3. *Requests that the Chief Executive Officer prepares a further report at the conclusion of the public advertising period to enable the Council to consider the submissions made.”*

**DETAIL**

The proposed local law was advertised:

- a) in the West Australian newspaper on 4 May 2016;
- b) in the Melville Times newspaper on 10 May 2016;
- c) on the noticeboard at the Civic Centre
- d) on noticeboards at all City of Melville Public Libraries; and
- e) on the City of Melville website.



**M16/5499 – ADOPTION OF THE PROPOSED CITY OF MELVILLE PARKING LOCAL LAW 2016 (AMREC) (ATTACHMENT)**

As required by section 3.12(3)(a)(i) of the *Local Government Act 1995*, the advertisement associated with this local law included the purpose and effect of the local law, which were also read aloud by the Mayor at the meeting held 19 April 2016.

The **purpose** of the proposed City of Melville Parking Local Law 2016 is to define the parking region for the City of Melville and to regulate and manage parking within that region.

The **effect** of the City of Melville Parking Local Law 2016 is to provide a safe, fair and equitable parking environment under the care and control of the local government, enable the control of parking activities within the parking region and provide for the management and operation of parking facilities.

Following the advertising period, submissions on the local law closed on Wednesday 22 June 2016, with three submissions being received from the community.

A copy of the proposed local law was forwarded to the Minister for Local Government and Communities on 5 May 2016, with the Department of Local Government and Communities also provided written comments and suggestions on the proposed local law.

**Community Submissions**

Submission 1 - This submission addresses concerns related to verges associated with battle-axe lots and specifically with Part 3, point 3.13 Verge Parking, item (2):

*“A person, not being the occupier of the land abutting on to a street verge, shall not without the consent of the occupier, park or stop a vehicle upon that verge.”*

Submission Content	Response
<p>The submission objects to the proposed exclusion of parking rights on the shared verge of the rear owner of the joint block and to bestowing sole rights as the occupier of the strata block to the front owner, and requests that the City of Melville classify both the front and back owners as ‘occupiers’, granting all occupiers parking rights on their shared verge.</p>	<p>Noted. As strata blocks may mean that two, or in many cases more, properties are associated with a single verge. The amenity of the abutting property to the verge may be compromised by allowing other owners in a complex to use the verge for unregulated parking.</p>

**M16/5499 – ADOPTION OF THE PROPOSED CITY OF MELVILLE PARKING LOCAL LAW 2016 (AMREC) (ATTACHMENT)**

Submission 2 - This submission raises the following points:

Submission Content	Response
<ul style="list-style-type: none"> <li><i>Opposes changing the term “Council” to local government. Believe accountability should clearly remain with the Council.</i></li> </ul>	<p>Noted. The Council has the power to make and amend local laws under the <i>Local Government Act 1995</i>. Best practice and advice from the Department of Local Government and Communities is to use the terminology ‘local government’.</p>
<ul style="list-style-type: none"> <li><i>Disagree with 3.6(1) as think that 1 metre distance between parked vehicles will be difficult to achieve in all circumstances.</i></li> </ul>	<p>Noted. This clause is consistent with line-marked parking bays.</p>
<ul style="list-style-type: none"> <li><i>Increase controls to protect resident’s verges; including the ability for Rangers to issue infringements to drivers that persistently drive over or park on a resident’s verge. Currently Rangers will not issue infringements unless they see the resident.</i></li> </ul>	<p>Noted. Clause 3.13 Verge Parking addresses this concern.</p>
<ul style="list-style-type: none"> <li><i>Provide a mechanism to deal with residents that persistently rely on street parking or verge storage to accommodate their vehicles on an ongoing basis, recognise some discretion is required on an interim basis. For example we need to dissuade residents from persistently parking their cars on the street every day for an extended period vs resetting the ‘clock’ if shifted within every 24 hour period.</i></li> </ul>	<p>Noted. Clause 4.11 allows for vehicles to be parked for periods not exceeding 24 hours, unless authorised.</p>
<ul style="list-style-type: none"> <li><i>Provide a mechanism, whether in policies and/or the local laws, to prevent residents parking an excessive number of vehicles, visible from the street, on their properties if it adversely impacts the amenity.</i></li> </ul>	<p>Noted. This local law does not deal with residents parking on private property and the associated amenity.</p>
<ul style="list-style-type: none"> <li><i>Explicitly outline an adversely affected person’s right of review, consistent with the Local Government Act 1995, in the event Council makes a decision that imposes any permanent restrictions on a resident’s right to park on the street in front of their property or to park on their verge.</i></li> </ul>	<p>Noted. This information is contained within the <i>Local Government Act 1995</i> and is not replicated within a local law.</p>

**M16/5499 – ADOPTION OF THE PROPOSED CITY OF MELVILLE PARKING LOCAL LAW 2016 (AMREC) (ATTACHMENT)**

Submission 3 - The submission raises the following dot points.

Submission Content	Response
<ul style="list-style-type: none"> <li><i>No vehicle of any type should be permitted to park on the street verges without the consent of the affected household, especially if the resident maintains the street verge including reticulation. Builders, tradesperson and visitors to the street are the main offenders.</i></li> </ul>	<p>Noted. Part 3, point 3.13 Verge Parking, item (2) addresses this concern.</p>
<ul style="list-style-type: none"> <li><i>No vehicle should be permitted to park on the road on a permanent and regular basis unless the vehicle is parked in front of their own property and not a distance away which affects other residents.</i></li> </ul>	<p>Noted. Guidance on the parking of vehicles on thoroughfares is provided in Clauses 3.5 and 3.6 of the proposed local law and Clause 3.10 relates to parking vehicles so as to not obstruct traffic.</p>
<ul style="list-style-type: none"> <li><i>No vehicle should be permitted to park on the road directly opposite the neighbour's driveway as this will obstruct reversing space for the neighbour's vehicle.</i></li> </ul>	<p>Noted. Guidance on the parking of vehicles on roads is provided in Clauses 3.5 and 3.6 of the proposed local law and Clause 3.10 related to parking vehicles so as to obstruct traffic.</p>
<ul style="list-style-type: none"> <li><i>No vehicles should be permitted to park parallel to each other on the same road so as to constrict access for other vehicles.</i></li> </ul>	<p>Noted. Clause 3.12 Double Parking addresses the concerns outlined in this point.</p>
<ul style="list-style-type: none"> <li><i>A restriction should be put in place as to how many vehicles (including boats) a property can have parked on its verge and road to avoid large quantity of vehicles being parked regularly for longer than on day/night as this would affect motorists and neighbours street access and the aesthetic look of the street.</i></li> </ul>	<p>Noted. Clause 4.11 allows for vehicles to be parked for periods not exceeding 24 hours, unless authorised.</p>
<ul style="list-style-type: none"> <li><i>No unregistered vehicle is permitted to be parked or dumped permanently on the road, verge or driveway so as to cause an unsightly vision to the neighbours and streetscape.</i></li> </ul>	<p>Noted Parking unregistered vehicles on thoroughfares is dealt with in Clause 3.19.</p>

**M16/5499 – ADOPTION OF THE PROPOSED CITY OF MELVILLE PARKING LOCAL LAW 2016 (AMREC) (ATTACHMENT)**

Submission Content	Response
<ul style="list-style-type: none"> <li>No large Commercial vehicles, including boats, be permitted to park on a permanent or regular basis in residential streets to avoid obstruction of motorists' vision and affecting aesthetic of the streetscape.</li> </ul>	<p>Noted Part 4, clause 4.3 Commercial Vehicle Parking addresses this concern.</p>
<ul style="list-style-type: none"> <li>Residents who start work as early as 5am in the morning or arrive home after 12 midnight need to consider the noise impact on their sleeping neighbours (including children) resulting from the multiply (sic) vehicle door slamming.</li> </ul>	<p>Noted. Not relevant to this local law</p>
<ul style="list-style-type: none"> <li>The City of Melville Rangers need to have authority to receive complaints from residents and to act on them to resolve disputes and enforce infringements where residents are contravening the local parking laws.</li> </ul>	<p>Noted. City of Melville Rangers are authorised Officers under Clause 9.10 of the <i>Local Government Act 1995</i> and able to enforce the local law.</p>

**Department of Local Government and Communities**

Submission Content	Response
<p><i>Redrafting of 1.3 Repeal to correct the citation.</i></p>	<p>Accepted and changes made.</p>
<p><i>Consistency in terminology that the term "City" be deleted and replaced consistently through the document with "local government".</i></p>	<p>Accepted and changes made.</p>
<p><i>Clause 1.5 definition for 'symbol'. Suggestion that reference to the Australian Standard be omitted as this information is not available freely.</i></p>	<p>Accepted and changes made.</p>
<p><i>Clause 1 include, a definition for the term "transit lane".</i></p>	<p>Accepted and changes made.</p>

**M16/5499 – ADOPTION OF THE PROPOSED CITY OF MELVILLE PARKING LOCAL LAW 2016 (AMREC) (ATTACHMENT)**

Submission Content	Response
<i>Provisions within the local law that the City can make resolutions or determinations and these 'may' be indicated by signs. The Joint Standing Committee on Delegated Legislation has previously objected to clauses such as this as it may be interpreted to mean that the use of a sign is not compulsory when a determination or resolution occurs.</i>	Accepted and changes made.  It should be noted that the definition of a sign includes traffic sign, mark, structure, inscription, pavement marking, symbol or device.
<i>Clause 2.12 – Special Event Parking, the Joint Standing Committee has previously found issue with clauses that relate to special event parking, particularly with respect to sufficient public notice.</i>	Accepted and clause deleted following review of the Joint Standing Committees Report 44 (February 2011) as this clause is rarely used.
<i>The Department of Local Government also provided suggestions on a range of drafting edits.</i>	Accepted and changes made.

The changes that have been accepted and made to the proposed local law are not significant changes and the City is able to proceed with making the local law. A copy of the amended proposed local law can be accessed through the following link  
[5499 City of Melville Parking Local Law 2016](#)

Following Council's adoption of the local law, the City is required to publish the new local law in the *Government Gazette* and submit a copy to the Minister for Local Government and Communities. After the local law has been published in the Gazette, the City is required to give Statewide public notice:

- stating the title of the local law;
- summarising the purpose and effect of the local law;
- specifying when the local law comes into operation;
- advising where copies of the local law may be obtained.

Once the local law has appeared in the Government Gazette, the local government is also required to send an explanatory memorandum and copies of the local law to the Joint Standing Committee on Delegated Legislation for further review.

## STAKEHOLDER ENGAGEMENT

### I. COMMUNITY

As required by section 3.12(3) of the *Local Government Act 1995*, the City of Melville advertised its intention to make the proposed local law in the West Australian and the Melville Times newspapers, on noticeboards at the Civic Centre, all libraries and on the City's website and called for public submissions.

**M16/5499 – ADOPTION OF THE PROPOSED CITY OF MELVILLE PARKING LOCAL LAW 2016 (AMREC) (ATTACHMENT)**

Three submissions were received from the public and these have been taken into consideration.

**II. OTHER AGENCIES / CONSULTANTS**

As required by the local law making process under the *Local Government Act 1995*, the proposed local law was forwarded to the Minister for Local Government and Communities on 5 May 2016. The comments made by the Department of Local Government and Communities have been taken into consideration.

**STATUTORY AND LEGAL IMPLICATIONS**

The *Local Government Act 1995* provides guidance on the process to follow to make a local law. Section 3.12(4), (5) and (6) specifically address the process to be undertaken following the close of the public submission period.

**FINANCIAL IMPLICATIONS**

There are financial costs associated with the advertising the adoption of the local law and the gazettal of the new local law. Sufficient provision has been made in the budget to accommodate these costs.

**STRATEGIC, RISK AND ENVIRONMENTAL MANAGEMENT IMPLICATIONS**

Under the *Local Government Act 1995*, local governments are empowered to make local laws to assist in the performance of their functions as long as the local laws are not inconsistent with the Act or any other written law.

The creation of adequate and appropriate local laws benefits the community by ensuring the regulation of activities within the district.

**POLICY IMPLICATIONS**

At the Ordinary Meeting of Council held 19 April 2016, the Council adopted the CP-097 Parking Permit Policy, which provided guidelines for the issue and control of Parking Permits within the City of Melville and supports this Parking Local Law 2016 and the Car Parking Strategy to ensure the orderly management of parking within the City of Melville.

**ALTERNATE OPTIONS AND THEIR IMPLICATIONS**

The Council could decide to not proceed with the making of the Proposed Parking Local Law 2016, in which case the existing local law would remain in place in its current format. Alternatively the Council could determine to make a local law that is substantially different to the local law that was advertised to the community, in which case, the local law making process would need to recommence from the beginning.

**M16/5499 – ADOPTION OF THE PROPOSED CITY OF MELVILLE PARKING LOCAL LAW 2016 (AMREC) (ATTACHMENT)****CONCLUSION**

The proposed City of Melville Parking Local Law 2016 will define the parking region and regulate and manage parking within that region providing a safe, fair and equitable parking environment under the care and control of the local government.

The new Parking Local Law 2016 provides the City with a modern and concise Local Law providing clarity and context of the parking regulations applicable to the City and in keeping with standards deemed appropriate by the Department of Local Government and Communities.

The proposed local law, if adopted by the Council, will be gazetted in the *Government Gazette* and will come into effect 14 days after the advertising date.

**OFFICER RECOMMENDATION (5499)****ABSOLUTE MAJORITY**

That the Council;

1. **Adopts by absolute majority decision, in accordance with section 3.12(4) of the *Local Government Act 1995*, the City of Melville Parking Local Law 2016 as amended and contained in 5499 City of Melville Parking Local Law 2016 and affixes the Common Seal.**
2. **Endorses the progression of the remaining actions to finalise the gazettal of the City of Melville Parking Local Law 2016 in accordance with section 3.12 and 3.15 of the *Local Government Act 1995*.**

**REJECT AND REPLACE MOTION**

At 7.23pm Cr Schuster moved, seconded Cr Phelan –

**That the Council reject and replaces the Officer's Recommendation in relation to Item M16/5499 as follows:**

1. **Delete Parts 1 and 2 of the printed Recommendation, and;**
2. **Replaces Parts 1 and 2 with a new Recommendation 1 as follows:**
3. **“1 This item be deferred, noting the existing Parking Local Law is still in place, to allow further consideration of the traffic safety issues involved in requiring vehicles to park wholly on the road pavement, given the usual width of suburban street pavements”; and a new Recommendation 2 as follows:**  
  
**“2 The matter be referred to an Elected Members Information Session for review before being presented to Council again.”**

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

**CARRIED (7/6)**

**M16/5499 – ADOPTION OF THE PROPOSED CITY OF MELVILLE PARKING LOCAL LAW 2016 (AMREC) (ATTACHMENT)**

<b>Vote Result Summary</b>	
Yes	6
No	6

<b>Vote Result Detailed</b>	
Cr Barling	Yes
Cr Macphail	Yes
Cr O'Malley	Yes
Cr Phelan	Yes
Cr Schuster	Yes
Cr Woodall	Yes
Cr Aubrey	No
Cr Barton	No
Cr Foxtton	No
Cr Pazolli	No
Cr Wieland	No
Mayor Aubrey	No

**NOTE: Due to an equality of votes at the Council meeting, the Mayor exercised his right to cast a second vote to reach a decision in this matter (Section 5.21(3) of the *Local Government Act 1995*).**

**REASONS:**

1. The proposed Local Law is supported in general terms. The difficulty is with Clause 3.13 that prevents parking on a public verge opposite a property without the property owner's consent;
2. There have been many occasions where vehicles parked on the (generally narrow) pavements of roads in the City's suburbs where grid road layouts predominate have created traffic delays and driver impatience (as recently as Sunday with a Ranger's vehicle parked outside a home on Coogee Road). In essence any law which forces a vehicle to drive on the wrong side of the road (and this one does) is potentially creating a dangerous situation, and one that could benefit from a discussion at an Elected Members Information Session about whether there are other solutions;
3. There is no suggestion that vehicles be allowed to park without restriction on verges where they have no connection to the owner of the adjoining property – the general view of the Council is that this is acceptable. The other parts of the proposed Local Law seem to offer protection against persistent parkers; and,
4. It is suggested that this matter be referred to an Elected Members Information Session to review it and determine whether there is another solution that could be implemented, even just in certain places, to ensure Council is not creating unnecessary traffic safety issues.



**M16/5500 – BEASLEY RESERVE VODAFONE TOWER PROPOSAL (REC)**

Ward : Bull Creek/Leeming  
 Category : Operational  
 Subject Index : Leases, Licences, Agreements, Contracts  
 Customer Index : Vodafone Pty Ltd  
 Disclosure of any Interest : No Officer involved in the preparation of this report has a declarable interest in this matter.  
 Previous Items : Not Applicable  
 Works Programme : Not Applicable  
 Funding : Not Applicable  
 Responsible Officer : Jeff Clark  
 Governance and Compliance Program Manager

**AUTHORITY / DISCRETION**

**DEFINITION**

<input type="checkbox"/>	Advocacy	<i>When the Council advocates on its own behalf or on behalf of its community to another level of government/body/agency.</i>
<input checked="" type="checkbox"/>	<b>Executive</b>	<b><i>The substantial direction setting and oversight role of the Council. e.g. adopting plans and reports, accepting tenders, directing operations, setting and amending budgets.</i></b>
<input type="checkbox"/>	Legislative	<i>Includes adopting local laws, town planning schemes &amp; policies.</i>
<input type="checkbox"/>	Review	<i>When the Council operates as a review authority on decisions made by Officers for appeal purposes.</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>
<input type="checkbox"/>	Information	<i>For the Council/Committee to note.</i>

**M16/5500 – BEASLEY RESERVE VODAFONE TOWER PROPOSAL (REC)****KEY ISSUES / SUMMARY**

- This report presents to the Council a request by Vodafone Pty Ltd to excise an area of 172 square metres of Beasley Reserve for the purpose of construction of a telecommunications tower.
- The proposed tower will address a mobile phone coverage issue in the Leeming area.
- The area has been identified by officers and Vodafone Pty Ltd, and has been discussed with and supported by sporting groups who use Beasley Park.
- The identified area is the least vegetated site on the Reserve.
- It is recommended that the excision be supported, the proposed lease be advertised and a lease agreement be negotiated.

**BACKGROUND**

Vodafone Pty Ltd has approached the City to source a location to provide mobile phone coverage to the Leeming area. This area has a poor coverage and the installation of a new communications tower would improve the service to clients within the Leeming area.

A site on Beasley Reserve has been identified as suitable and discussion with sporting clubs who use the Reserve, the City's Parks and Environment, Community Development and Urban Planning has supported the proposed site as the most suitable site that will not impact the use of the Reserve.

The Reserve is vested in the City with the purpose of the Reserve being public recreation. To provide a site for a communications tower, a small area of the Reserve will require excising to create a new reserve with a purpose being telecommunications facilities.

Vodafone wish to enter into a 20 year lease and approval in principle has been provided by the Department of Lands for both excision and creation of a new reserve. The financial benefit from the lease would come to the City.

**DETAIL**

Vodafone Pty Ltd has acknowledged that the mobile phone coverage in Leeming requires upgrading to meet customer expectations and identified Beasley Reserve as an appropriate site. The area of land required is 172 square metres and will provide for multiple carriers on the same site. The site has been discussed with sporting clubs and Parks and Environment to ensure that existing infrastructure will not be compromised by the location of the site.

The proposed communication tower is a 20 metre monopole with a triangular headframe, with a fenced secure area including an equipment shelter.

The selected area has little vegetation and is away from the area used by sporting clubs and a minimum of 150 metres distance from the closest residential properties.

**M16/5500 – BEASLEY RESERVE VODAFONE TOWER PROPOSAL (REC)**

The Reserve No 34366 has a purpose of public recreation and requires a small area to be excised to create a new reserve of 172 square metres that will have a purpose of telecommunications facilities. Vodafone has undertaken to work with the Department of Lands to survey the area and meet all costs associated with the proposal

The Strategic Property Management Group has examined the proposal and provided support due to the need to provide adequate mobile phone coverage in the area and the suitability of the site.



**STAKEHOLDER ENGAGEMENT**

**I. COMMUNITY**

The Community Development staff engaged with sporting clubs to determine the most appropriate location for a telecommunications tower to ensure it would not affect the use of the Reserve. This resulted in the preferred location being discussed with Vodafone Pty Ltd to ensure the site's suitability.

Parks and Environment staff were consulted to ensure the City's infrastructure on the Reserve would not be affected by the preferred location and supported the chosen location.

**M16/5500 – BEASLEY RESERVE VODAFONE TOWER PROPOSAL (REC)**

**II. OTHER AGENCIES / CONSULTANTS**

Vodafone Pty Ltd is in agreement with the preferred site.

**STATUTORY AND LEGAL IMPLICATIONS**

The proposed telecommunication tower is non low impact and will require planning approval.

The vesting of the new reserve has been negotiated with the Department of Lands and subject to the Council's approval, the management and lease fees will come to the City.

The City is required to advertise by Section 3.58 of the *Local Government Act 1995* where it negotiates with one organisation with the intent of providing a lease that has not been subject to a tender process.

**FINANCIAL IMPLICATIONS**

The lease fees for a new reserve will come to the City. A condition imposed by the Department of Lands is that the benefit provided by the lease fees should be expended either on or within the surrounding area of the Reserve.

**STRATEGIC, RISK AND ENVIRONMENTAL MANAGEMENT IMPLICATIONS**

The provision of a upgraded mobile phone coverage in Leeming will support the City's amenity for residents. There are no risk implications and environmental management implications have been considered by the Parks and Environment Section and the proposed location supported. The location is away from residential properties.

<b>Risk Statement</b>	<b>Level of Risk</b>	<b>Risk Mitigation Strategy</b>
Risk of ongoing limited mobile phone coverage continuing in the Leeming area	Moderate consequences which are likely, resulting in a <b>High</b> level of risk	Identify a site that provides coverage for the affected area and minimises impact on the surrounding area.

**POLICY IMPLICATIONS**

Council Policy CP – 064 Telecommunications Facilities and Communication Equipment applies to the installation of telecommunication facilities and communication equipment throughout the City, other than those that are specifically exempt under the *Telecommunications Act 1997*. The policy supports co-location that is proposed by Vodafone Pty Ltd and that a facility can be sited on a Reserve and designed to have a minimal impact on the streetscape and visual impact.

**M16/5500 – BEASLEY RESERVE VODAFONE TOWER PROPOSAL (REC)**

**ALTERNATE OPTIONS AND THEIR IMPLICATIONS**

The Council could determine that a telecommunications facility should be rejected or located elsewhere. Studies by Vodafone Pty Ltd have identified the proposed site as providing the most appropriate location to provide an upgraded coverage to an area where mobile phone coverage is not meeting the community's expectation.

**CONCLUSION**

The proposed site meets a number of important considerations. The ability to upgrade a service to meet the community expectation of mobile phone coverage is increasingly important as the uptake of mobile phones across the community is growing annually and to a wider spectrum of the community. The site is located to provide the greatest effective coverage in a currently poor coverage area and minimize impact on residential properties that are some distance from the tower site.

**OFFICER RECOMMENDATION AND COUNCIL RESOLUTION (5500) APPROVAL**

At 7.51pm Cr Aubrey moved, seconded Cr Phelan –

**That the Council:**

- 1 Endorses the proposed site of a telecommunications tower on Beasley Reserve; and**
- 2 Endorses the excision of a part of Reserve 34366 for the purpose of telecommunication facilities; and**
- 3 Requests the Chief Executive Officer to advertise a proposed disposition of land for the purpose of a lease to Vodafone Pty Ltd; and**
- 4 Requests the Chief Executive Officer to negotiate and execute a lease with Vodafone Pty Ltd for the use of the excised reserve for a co-located telecommunications tower.**

At 7.59pm the Mayor submitted the motion, which was declared

**CARRIED (11/1)**

<b>Vote Result Summary</b>	
Yes	11
No	1

<b>Vote Result Detailed</b>	
Cr Aubrey	Yes
Cr Barling	Yes
Cr Foxtton	Yes
Cr Macphail	Yes
Cr O'Malley	Yes
Cr Pazolli	Yes
Cr Phelan	Yes
Cr Schuster	Yes
Cr Wieland	Yes
Cr Woodall	Yes
Mayor Aubrey	Yes
Cr Barton	No

At 7.59pm Cr Schuster left the meeting and returned at 8.00pm

**M16/5000 – COMMON SEAL REGISTER (REC)**

Ward : All  
 Category : Operational  
 Subject Index : Legal Matters and Documentation  
 Customer Index : City of Melville  
 Disclosure of any Interest : No Officer involved in the preparation of this report has a declarable interest in this matter.  
 Previous Items : Standard Item  
 Works Program : Not applicable  
 Funding : Not applicable  
 Responsible Officer : Jeff Clark – Governance and Compliance Program Manager

**AUTHORITY / DISCRETION**

**DEFINITION**

<input type="checkbox"/>	Advocacy	<i>When the Council advocates on its own behalf or on behalf of its community to another level of government/body/agency.</i>
<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 &amp; policies.</i>
<input type="checkbox"/>	Review	<i>When the Council operates as a review authority on decisions made by Officers for appeal purposes.</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>
<input checked="" type="checkbox"/>	Information	<b><i>For the Council/Committee to note.</i></b>

**KEY ISSUES / SUMMARY**

This report details the document to which the City of Melville Common Seal has been applied for the period from 24 June 2016 up to and including 21 July 2016 and recommends that the information be noted.

**M16/5000 – COMMON SEAL REGISTER (REC)**

**BACKGROUND**

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

**DETAIL**

<b>Register Reference</b>	<b>Parties</b>	<b>Description</b>	<b>ECM Reference</b>
1160	The City of Melville and Applecross Junior Football Club	Management Licence for five years commencing 1 July 2016 and expiring 30 June 2021	3728079
1225	The City of Melville and Play2 Learn Kindy	Management Licence commencing 1 July 2016 and expiring 30 June 2021.	3843717
1240	The City of Melville and Erin Madeley - Heathcote Administration building Studio Number 6 Admin	Artists Hire Agreement Hire of the studio is to commence on 1 June 2016 and expiring on 31 December 2016	3898139
1245	The City of Melville and Sarah Pearn - Heathcote Administration building Studio 4 Admin Building	Artists Hire Agreement- of the studio is to commence on 1 June 2016 and expiring on 31 December 2016	3905337

**STAKEHOLDER ENGAGEMENT**

**I. COMMUNITY**

Not applicable.

**II. OTHER AGENCIES / CONSULTANTS**

Not applicable.

**M16/5000 – COMMON SEAL REGISTER (REC)****STATUTORY AND LEGAL IMPLICATIONS**

Section 2.5(2) of the *Local Government Act 1995* states:

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

Section 9.49A (3) of the *Local Government Act 1995* states:

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

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

**FINANCIAL IMPLICATIONS**

There are no financial implications in this report other than that held in the contracts advised above.

**STRATEGIC, RISK AND ENVIRONMENTAL MANAGEMENT IMPLICATIONS**

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

**POLICY IMPLICATIONS**

There are no policy implications in this report.

**ALTERNATE OPTIONS AND THEIR IMPLICATIONS**

Not applicable.

**CONCLUSION**

This is a standard report for Elected Members' information.

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

**That the Council notes the actions of His Worship the Mayor and the Chief Executive Officer in executing the document listed under the Common Seal of the City of Melville from 24 June 2016 up to and including 21 July 2016.**

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

**CARRIED UNANIMOUSLY EN BLOC (12/0)**



**C16/6000 - INVESTMENT STATEMENTS FOR JUNE 2016 (REC)**

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

**AUTHORITY / DISCRETION**

**DEFINITION**

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<input checked="" type="checkbox"/>	Information	<b><i>For the Council/Committee to note.</i></b>

**KEY ISSUES / SUMMARY**

This report presents the investment statements for the period ending 30 June 2016 for the Council's information and noting.  
 Claim dividend of \$6,342,700 for losses in CDOs has been received from PPB Advisory Australia in relation to Lehman Brothers Australia liquidation, and this will be transferred back to the original Reserve.  
 Investment figures are yet to be finalised waiting for interfund transfer between accounts as part of the year end process.

**C16/6000 - INVESTMENT STATEMENTS FOR JUNE 2016 (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 Council Policy CP-009 - Investment of Funds, with the objective of maximising returns whilst maintaining low levels of credit risk exposure.

**DETAIL**

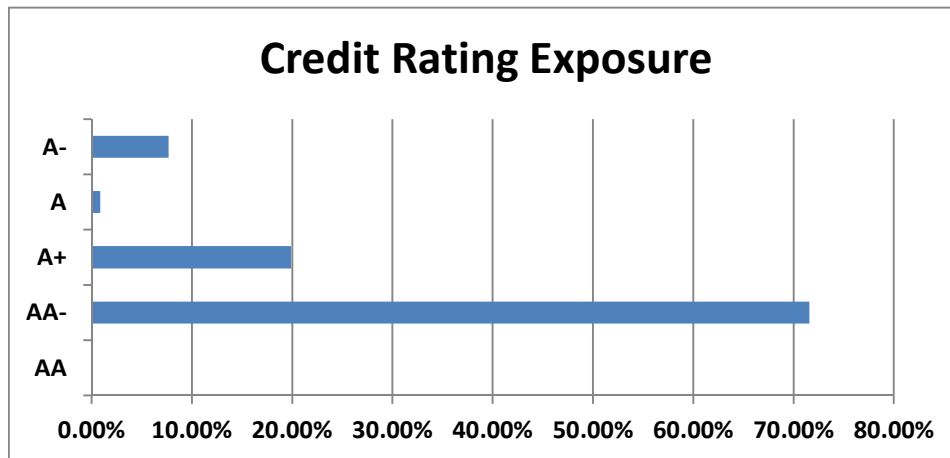
Summary details of investments held as at 30 June 2016 are shown in the tables below.

<b>CITY OF MELVILLE</b>	
<b>STATEMENT OF INVESTMENTS</b>	
<b>FOR THE PERIOD ENDING 30 JUNE 2016</b>	
<b>SUMMARY BY FUND</b>	
	<b>AMOUNT</b>
	<b>\$</b>
MUNICIPAL	\$ 19,987,472
RESERVE	\$ 96,564,779
TRUST	\$ 628,380
CITIZEN RELIEF	\$ 203,053
	<b>\$ 117,383,685</b>
<b>SUMMARY BY INVESTMENT TYPE</b>	
	<b>AMOUNT</b>
	<b>\$</b>
11AM	\$ 1,464,945
31DAYS AT CALL	\$ 1,000,000
60DAYS AT CALL	\$ 2,000,000
90DAYS AT CALL	\$ 5,000,000
TERM DEPOSIT	\$ 105,688,095
BOND	\$ -
FRTD	\$ 2,000,000
UNITS (Local Govt Hse)	\$ 230,645
	<b>\$ 117,383,685</b>
<b>SUMMARY BY CREDIT RATING</b>	
	<b>AMOUNT</b>
	<b>\$</b>
AA	\$ -
AA-	\$ 83,853,040
A+	\$ 23,300,000
A	\$ 1,000,000
A-	\$ 9,000,000
BBB+	\$ -
UNITS (Local Govt Hse)	\$ 230,645
	<b>\$ 117,383,685</b>

**C16/6000 - INVESTMENT STATEMENTS FOR JUNE 2016 (REC)**

The following statements detail the investments held by the City as at 30 June 2016.

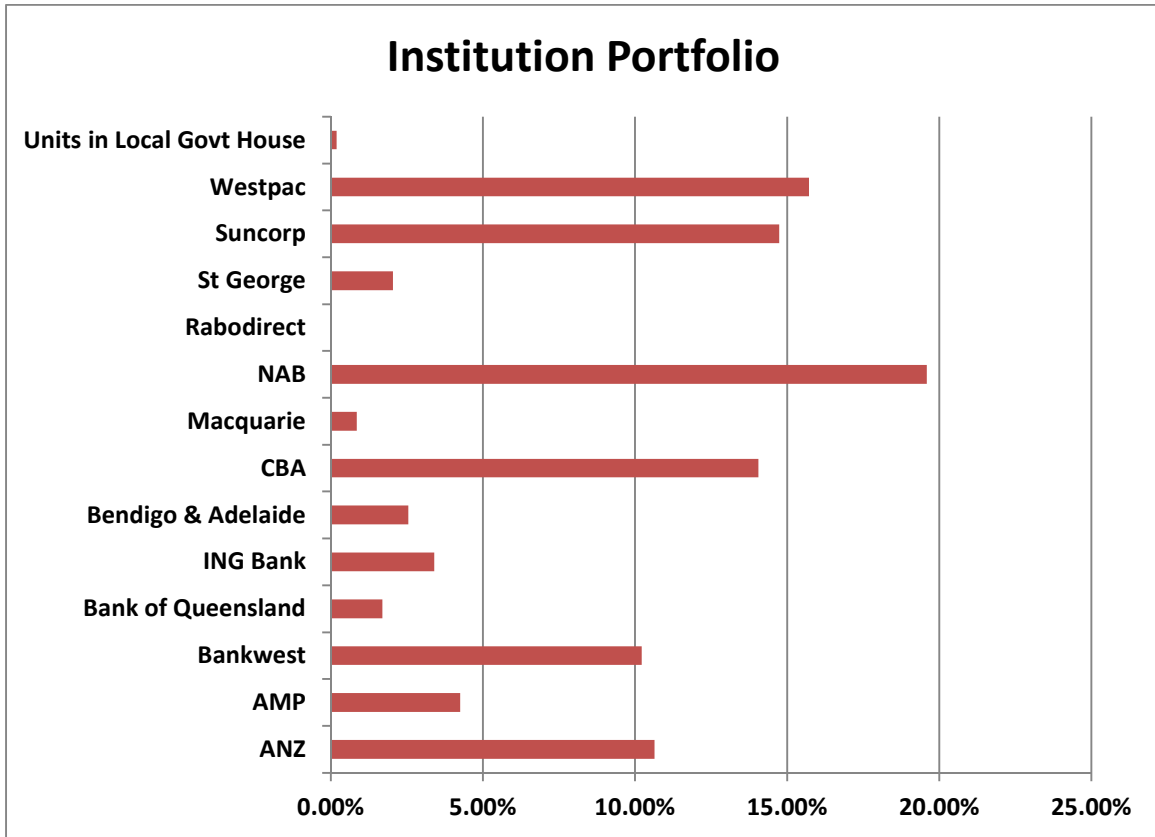
STATEMENT OF INVESTMENTS FOR THE PERIOD ENDING 30 JUNE 2016					
INSTITUTION / INVESTMENT	INVESTMENT TYPE	Interest Rate %	S & P RATING	AMOUNT \$	MATURITY DATE
BANKWEST (11AM)	11AM	2.50%	AA-	\$0	On call
WESTPAC (MAXI DIRECT)	11AM	1.70%	AA-	\$100,000	On call
WESTPAC (MAXI BONUS 1)	11AM	1.95%	AA-	\$336,884	On call
WESTPAC (MAXI BONUS 2)	11AM	1.95%	AA-	\$1,028,061	On call
				<b>\$1,464,945</b>	
WESTPAC (31DAYS AT CALL)	31DAYS AT CALL	2.15%	AA-	\$1,000,000	On call
				<b>\$1,000,000</b>	
WESTPAC (60DAYS AT CALL)	60DAYS AT CALL	2.95%	AA-	\$2,000,000	On call
				<b>\$2,000,000</b>	
WESTPAC (90DAYS AT CALL)	90DAYS AT CALL	3.05%	AA-	\$5,000,000	On call
				<b>\$5,000,000</b>	
BANK OF QUEENSLAND (TERM)	TERM	Various	A-	\$2,000,000	Various
BANKWEST (TERM)	TERM	Various	AA-	\$12,000,000	Various
BENDIGO AND ADELAIDE BANK (TERM)	TERM	Various	A-	\$3,000,000	Various
CITIBANK (TERM)	TERM	Various	AA-	\$0	Various
COMMONWEALTH BANK (TERM)	TERM	Various	AA-	\$16,500,000	Various
AMP BANK (TERM)	TERM	Various	A+	\$5,000,000	Various
ANZ BANK (TERM)	TERM	Various	AA-	\$12,500,000	Various
ING BANK (TERM)	TERM	Various	A-	\$2,000,000	Various
MACQUARIE BANK (TERM)	TERM	Various	A	\$1,000,000	Various
NAB (TERM)	TERM	Various	AA-	\$23,000,625	Various
RABODIRECT (TERM)	TERM	Various	AA	\$0	Various
ST GEORGE BANK (TERM)	TERM	Various	AA-	\$2,400,000	Various
SUNCORP METWAY LTD (TERM)	TERM	Various	A+	\$17,300,000	Various
WESTPAC (TERM)	TERM	Various	AA-	\$8,987,470	Various
				<b>\$105,688,095</b>	
ING BANK (FRTD)	FRTD	3.27%	A-	\$2,000,000	7-Mar-17
				<b>\$2,000,000</b>	
UNITS IN LOCAL GOVT HOUSE	NA	NA	NA	\$230,645	NA
<b>TOTAL FUNDS INVESTED</b>				<b>\$117,383,685</b>	
<b>CREDIT RISK COMPARISON</b>					
CREDIT RISK	AMOUNT \$	ACTUAL PROPORTION	MAX. % AMOUNT IN TOTAL PORTFOLIO	Comments	
AA	\$0	0%	80%		
AA-	\$84,853,040	72%	80%		
A+	\$22,300,000	19%	50%		
A	\$1,000,000	1%	50%		
A-	\$9,000,000	8%	50%		
BBB+	\$0	0%	20%		
UNITS IN LOCAL GOVT: HOUSE	\$230,645	0%	0.1%		<b>Council Decision</b>
<b>TOTAL</b>	<b>117,383,685</b>	<b>100%</b>			

**C16/6000 - INVESTMENT STATEMENTS FOR JUNE 2016 (REC)**


<b>DIVERSIFICATION RISK</b>							
<b>INSTITUTION</b>	<b>INVESTMENT TYPE</b>	<b>S &amp; P RATING</b>	<b>AMOUNT</b>	<b>\$</b>	<b>ACTUAL PROPORTION</b>	<b>INSTITUTION PROPORTION</b>	<b>MAX. % WITH ANY ONE INSTITUTION</b>
ANZ BANK (TERM)	TERM	AA-	12,500,000		10.65%	10.65%	20%
AMP BANK (TERM)	TERM	A+	5,000,000		4.26%	4.26%	15%
BANKWEST (11AM)	11AM	AA-	-		0.00%		
BANKWEST (TERM)	TERM	AA-	12,000,000		10.22%	10.22%	20%
BANK OF QUEENSLAND (TERM)	TERM	A-	2,000,000		1.70%	1.70%	15%
BENDIGO AND ADELAIDE BANK (TERM)	TERM	A-	3,000,000		2.56%	2.56%	15%
CITIBANK (TERM)	TERM	AA-	-		0.00%	0.00%	20%
COMMONWEALTH BANK (TERM)	TERM	AA-	16,500,000		14.06%		
COMMONWEALTH BANK (COVERED BOND)	BOND	AAA	-		0.00%		
COMMONWEALTH BANK (RETAIL BOND)	BOND	AA	-		0.00%		
COMMONWEALTH BANK (FRN)	FRN	AA	-		0.00%	14.06%	20%
ING BANK (TERM)	TERM	A-	2,000,000		1.70%		15%
ING BANK (FRTD)	FRTD	A-	2,000,000		1.70%	3.41%	15%
MACQUARIE BANK (TERM)	TERM	A	1,000,000		0.85%	0.85%	15%
NAB (TERM)	TERM	AA-	23,000,625		19.59%	19.59%	20%
RABODIRECT (TERM)	TERM	AA	-		0.00%	0.00%	15%
ST GEORGE BANK (TERM)	TERM	AA-	2,400,000		2.04%	2.04%	20%
SUNCORP METWAY LTD (TERM)	TERM	A+	17,300,000		14.74%	14.74%	15%
WESTPAC (MAXI BONUS 1)	11AM	AA-	336,884		0.29%		
WESTPAC (MAXI BONUS 2)	11AM	AA-	1,028,061		0.88%		
WESTPAC (MAXI DIRECT)	11AM	AA-	100,000		0.09%		
WESTPAC (31DAYS AT CALL)	31DAYS AT CALL	AA-	1,000,000		0.85%		
WESTPAC (60DAYS AT CALL)	60DAYS AT CALL	AA-	2,000,000		1.70%		
WESTPAC (90DAYS AT CALL)	90DAYS AT CALL	AA-	5,000,000		4.26%		
WESTPAC (FRTD)	FRTD	AA-	-		0.00%		
WESTPAC (TERM)	TERM	AA-	8,987,470		7.66%	15.72%	20%
UNITS IN LOCAL GOVT HOUSE	NA	NA	230,645		0.20%	0.20%	
			<b>117,383,685</b>		<b>100%</b>	<b>100%</b>	

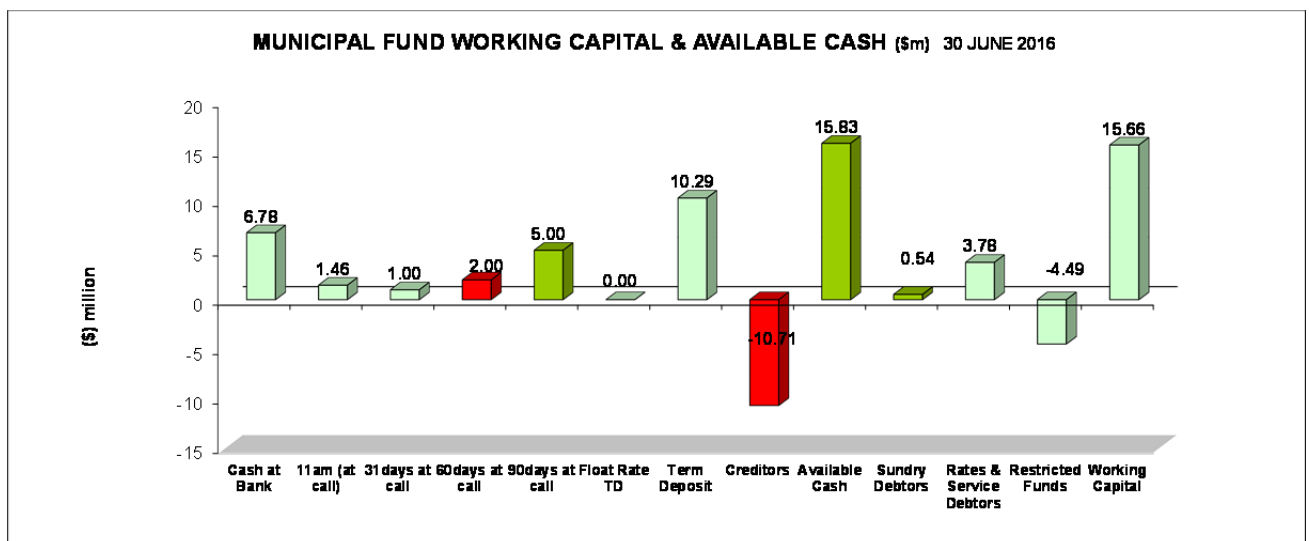
<b>MATURITY COMPARISON</b>					
<b>TERM to MATURITY</b>	<b>AMOUNT</b>	<b>\$</b>	<b>ACTUAL PROPORTION</b>	<b>MAX. % IN ANY ONE YEAR</b>	<b>Comments</b>
MUNICIPAL & TRUST FUNDS					
< 1 year	20,385,208		100%	100%	
	<b>20,385,208</b>		<b>100%</b>		
RESERVE FUNDS					
< 1 year	96,564,779		100%	100%	
	<b>96,564,779</b>		<b>100%</b>		

C16/6000 - INVESTMENT STATEMENTS FOR JUNE 2016 (REC)

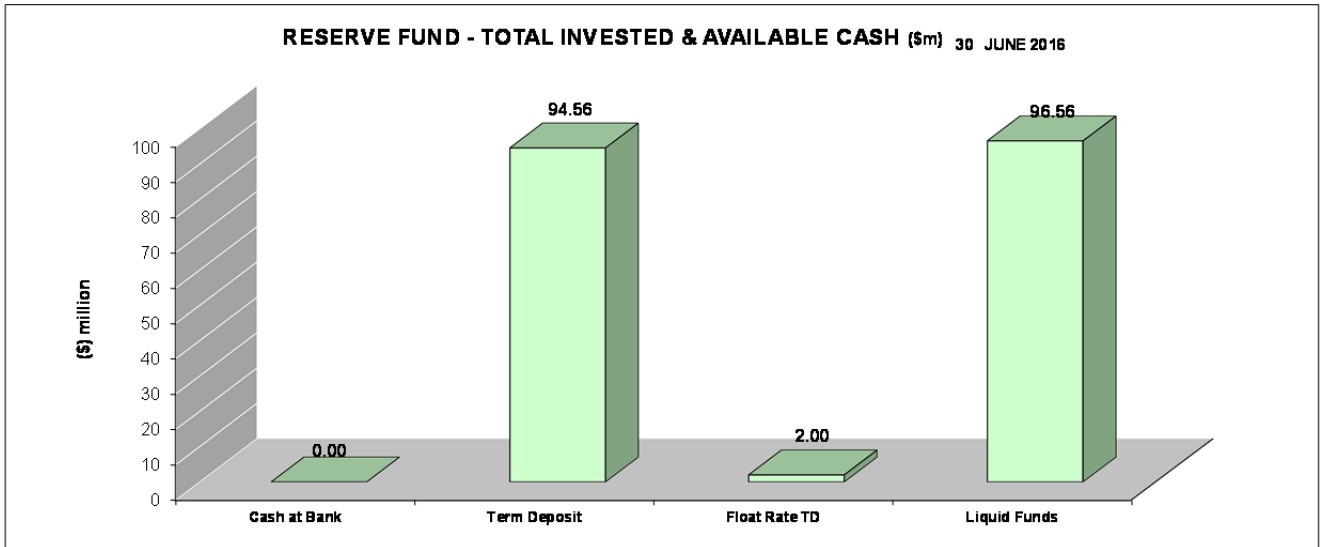


**Net Funds Held**

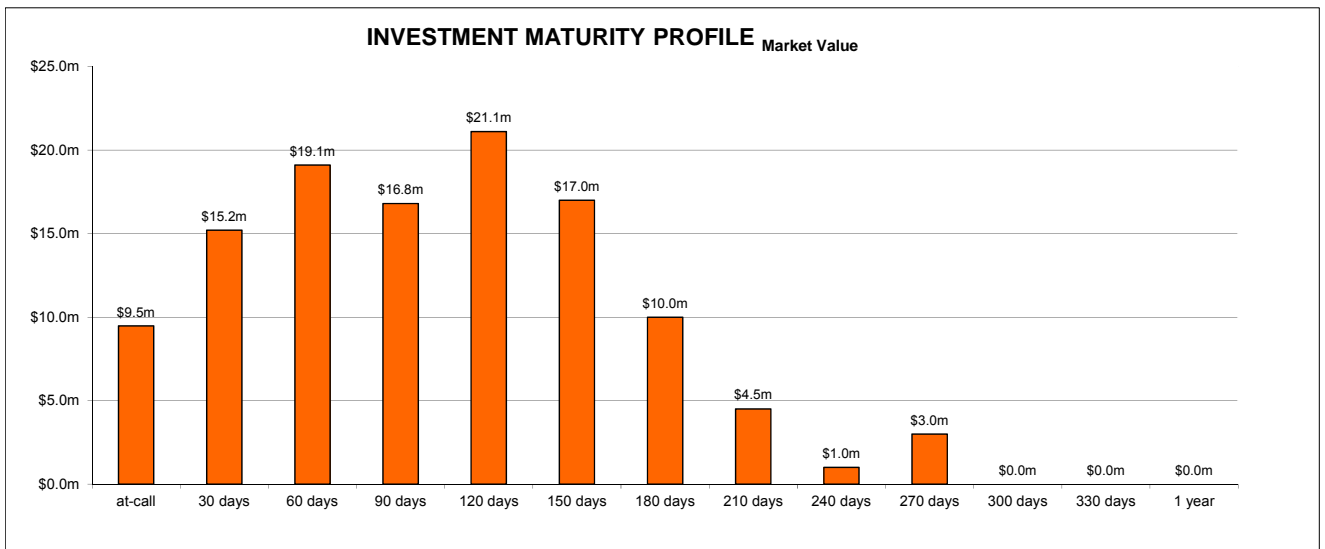
The graphs below summarise the Municipal Fund working capital and available cash and the funds held in the Reserve Fund as at 30 June 2016.



C16/6000 - INVESTMENT STATEMENTS FOR JUNE 2016 (REC)



The graph below summarises the maturity profile of the City's investments at market value as at 30 June 2016.



**C16/6000 - INVESTMENT STATEMENTS FOR JUNE 2016 (REC)****STAKEHOLDER ENGAGEMENT****I. COMMUNITY**

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

**II. OTHER AGENCIES / CONSULTANTS**

A wide range of suitably credit rated Authorised Deposit-taking Institutions (ADI's) were engaged with during the course of the month in respect to the placement and renewal of investments.

**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)

Authorised Deposit-taking Institutions are authorised under the *Banking Act 1959* and are subject to Prudential Standards oversight by the Australian Prudential Regulation Authority (APRA).

**FINANCIAL IMPLICATIONS**

For the period ending 30 June 2016:

- Investment earnings on Municipal and Trust Funds were \$792,810 against a year to date budget of \$815,000 representing a \$22,190 negative variance.

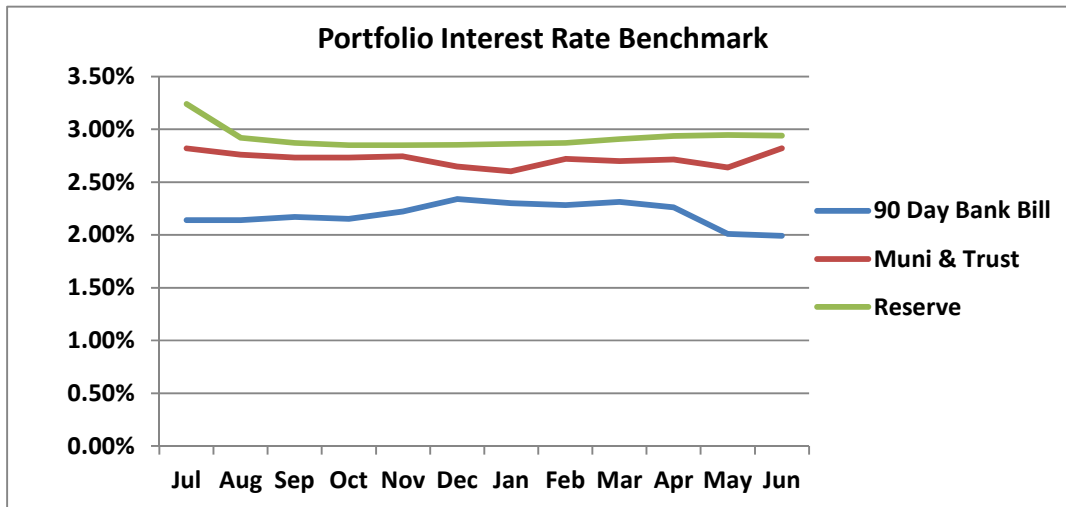
The weighted average interest rate for Municipal and Trust Fund investments as at 30 June 2016 was 2.82% which compares favourably to the benchmark three month bank bill swap (BBSW) reference rate of 1.99%.

- Investment earnings on Reserve accounts were \$3,179,676 against a year to date budget of \$2,500,000 representing a \$679,676 positive variance.

The weighted average interest rate for Reserve account investments as at 30 June 2016 was 2.94% which compares favourably to the benchmark three month bank bill swap (BBSW) reference rate of 1.99%.

- \$6,342,700 - Claim dividend for losses in CDOs received from PPB Advisory Australia in relation to Lehman Brothers Australia liquidation and this will be transferred back to the original Reserve.

**C16/6000 - INVESTMENT STATEMENTS FOR JUNE 2016 (REC)**



**STRATEGIC, RISK AND ENVIRONMENTAL MANAGEMENT IMPLICATIONS**

The Council’s Investment of Funds Policy CP-009 was drafted so as to minimise credit risk through investing in highly rated securities and diversification. The Policy also incorporates mechanisms that protect the City’s investments from undue volatility risk as well as the risk to reputation as a result of investments that may be perceived as unsuitable by the Community.

The interest rate risk is high due to the short-term nature of the City’s investments and the inability, due to legislative restrictions, to lock into longer dated investments which attract higher interest rates and help reduce exposure to reductions in interest rates.

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

**POLICY IMPLICATIONS**

Council Policy CP-009 – Investment of Funds provides guidelines with respect to the investment of City of Melville (the City) funds by defining levels of risk considered prudent for public monies. Liquidity requirements are determined to ensure the funds are available as and when required and take account of appropriate benchmarks for rates of return commensurate with the low levels of risk and liquidity requirements. The types of investments that the City has the power to invest in is limited by prescriptive legislative provisions governed by the *Local Government Act 1995*, *Local Government (Financial Management) Regulations 1996* and Part III of the *Trustees Act 1962*.

**ALTERNATE OPTIONS AND THEIR IMPLICATIONS**

Not applicable.



**C16/6000 - INVESTMENT STATEMENTS FOR JUNE 2016 (REC)****CONCLUSION**

The City's investment portfolio is invested in highly secure investments that are returning low investment returns that are however commensurate with the low level of risk of the portfolio.

Future investment earnings are expected to continue to decrease when compared to previous years as interest rates continue to stay low and the Reserve Bank of Australia (RBA) maintains a bias towards further reductions in the official cash rate. Furthermore legislative restrictions that have been implemented by the Western Australian State Government limiting term deposits to a maximum term of 12 months, has resulted in the City not being able to invest in longer term deposits which, depending on the interest rate yield curve, can attract higher interest rates than shorter term investments.

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

**That the Council notes the Investment Report for the month of June 2016.**

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

**CARRIED UNANIMOUSLY EN BLOC (12/0)**

**C16/6001 – SCHEDULE OF ACCOUNTS PAID FOR JUNE 2016 (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 : Annual Budget  
 Responsible Officer : Bruce Taylor – Manager Financial 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>
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<input checked="" type="checkbox"/>	Information	<b><i>For the Council/Committee to note.</i></b>

**KEY ISSUES / SUMMARY**

This report presents the details of payments made under delegated authority to suppliers for the month of June 2016 and recommends that the Schedule of Accounts Paid be noted.

**C16/6001 – SCHEDULE OF ACCOUNTS PAID FOR JUNE 2016 (REC) (ATTACHMENT)**

**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 Management) 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 Paid for the period ending 30 June 2016 ([6001 June 2016](#)), including Payment Registers numbers, Cheques 521 to 523 and Electronic Funds Transfers batches 399 to 400, Trust Payments, Card Payments and Payroll was distributed to the Elected Members of the Council on 19 July 2016.

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

Supplier Name	Remittance Number	Remittance Details	Amount
Arborwest Tree Farm	E050040 & E050324	Trees	\$25,971.00
Axiis Contracting	E050152 & E050408	Concrete works	\$185,722.54
Australian Taxation Office (ATO)	Direct Bank Transfer	Pay as You-Go taxation and other deductions from employee payroll for pays 25, 26 & 27	\$908,599.00
Building & Construction Industry Training Fund (BCITF)	Chq 007143	Remittance of the building construction training levy collected by the City with building licence applications	\$75,189.40
Boral Construction Materials Group Ltd (& Quarry)	E049958 & E050254	Asphalt for various locations	\$27,257.45
Calibre Coatings Pty Ltd	E050003 & E050296	Painting at Heathcote Canning House and Bull Creek Library and Hall	\$28,562.51
Cardno (WA) Pty Ltd	E050059 & E050342	Consultancy for stormwater network review	\$25,307.85
City of Cockburn	E050241	Commercial waste tip fees for May	\$81,857.71
Department of Commerce	E049941	Remittance of Building Service Levy collected on building licence applications	\$63,338.25
Data#3 Limited	E050325	40x Cisco IP phones, 1x Cisco conference phone, Microsoft Windows licence	\$25,048.80
Department of Fire & Emergency Services	E050386	ESL remittance for May	\$76,801.92
Dickies Tree Service	E049949 & E050244	Tree lopping services	\$91,041.78
Ellenby Tree Farm Pty Ltd	E049983 & E050279	Trees and shrubs	\$46,667.50
EMSO Maintenance T/A Crabclaw Holdings P/L Trustee for EMSO Investment Trust	E050028 & E050316	Building maintenance	\$91,948.88
Flexi Staff	E049977 & E050272	Temporary employment	\$79,594.71
Forestvale Trees	E050120	Trees	\$40,216.00
Forpark Australia	E050247	Supply and install exercise equipment at Kadidjiny Park	\$49,067.70
Forrest Hills Spraying Services	E050403	Weed spraying to footpaths	\$53,130.00
Fredon Air Pty Ltd	E050166 & E050421	Service and repairs to air conditioners	\$123,144.46
Goodyear & Dunlop Tyres (Aust) Pty Ltd T/A Beaurepaires (Myaree)	E050051 & E050336	Tyre renewal	\$34,601.63

**C16/6001 – SCHEDULE OF ACCOUNTS PAID FOR JUNE 2016 (REC) (ATTACHMENT)**

Hydroquip Pumps	E049987 & E050283	Replacement and servicing of pumps at various locations	\$86,484.20
Lawndoctor	E050035 & E050322	Lawn maintenance	\$48,164.69
Marketforce	E050087 & E050368	Advertisements	\$27,926.23
Natural Area Management & Services	E050225 & E050486	Landscaping works at South Street, seed collection and revetment works at Point Heathcote and Jeff Joseph Reserve	\$226,583.77
Octy Water Pty Ltd T/A Aquamonix	E050183 & E050435	Repairs and replacement of controllers at various locations	\$131,849.30
Reece Pty Ltd	E050064 & E050348	Irrigation supplies	\$32,852.78
Rhysco Electrical Services	E050079 & E050362	Electrical services	\$143,291.36
Roads 2000 Pty Ltd	E050132 & E050396	Road resurfacing at various locations	\$917,121.91
Roadsafe Traffic Management	E050179 & E050432	Traffic management services	\$51,502.84
Southern Metropolitan Regional Council	E050046 & E050327	RRRC loan repayment, MRF, MSW and green waste gate fees for May	\$1,410,066.17
Synergy	E049976 & E050271	Electricity charges	\$276,766.80
Technology One Ltd	E050231	Annual support and maintenance fee	\$105,529.03
TJS Cleaning Services Perth Pty Ltd	E050151	Cleaning services for LeisureFit Booragoon and Melville and AH Bracks Library	\$28,586.80
Tree Amigos Tree Surgeons	E050077 & E050359	Tree lopping service	\$80,035.89
WA Eco Plant Pty Ltd	Chq 065050	Supply and installation of eco blanket at North Lake Road	\$40,019.61
Water Corporation	Chqs 065033 & 065099	Water charges	\$32,247.01
Western Power	E050268	Powder coating of Ardross East streetlights	\$27,314.00
Westpac Bank	Direct Bank Transfer	Payment of salaries and wages to City employees net of tax and deductions for pays 25, 26 and 27	\$3,071,113.27
Youngs Plumbing Service Pty Ltd	E050062 & E050346	Building maintenance	\$71,481.22

**STAKEHOLDER ENGAGEMENT**
**I. COMMUNITY**

Not applicable.

**II. 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 adopted Budget as amended by any subsequent Budget reviews and amendments.

**C16/6001 – SCHEDULE OF ACCOUNTS PAID FOR JUNE 2016 (REC) (ATTACHMENT)****STRATEGIC, RISK AND ENVIRONMENTAL MANAGEMENT IMPLICATIONS**

There are no identifiable strategic, risk and environmental management implications associated with this report.

**POLICY IMPLICATIONS**

Procurement of Products and Services is conducted in accordance with Council Policy CP-023 and Systems Procedure 019 Purchasing and Procurement.

**ALTERNATE OPTIONS AND THEIR IMPLICATIONS**

Not applicable.

**CONCLUSION**

This is a regular monthly report for the Council's information.

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

**That the Council Notes the Schedule of Accounts paid for the period ending 30 June 2016 as approved by the Director Corporate Services in accordance with delegated authority DA-035, and detailed in attachment [6001 June 2016](#)**

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

**CARRIED UNANIMOUSLY EN BLOC (12/0)**

**C16/6002 – STATEMENTS OF FINANCIAL ACTIVITY FOR JUNE 2016 (AMREC)  
(ATTACHMENTS)**

Ward : All  
 Category : Operational  
 Subject Index : Financial Reporting - Statements of Financial Activity  
 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 : Bruce Taylor – Manager Financial Services

**AUTHORITY / DISCRETION**

**DEFINITION**

<input type="checkbox"/>	Advocacy	<i>When the Council advocates on its own behalf or on behalf of its community to another level of government/body/agency.</i>
<input checked="" type="checkbox"/>	<b>Executive</b>	<b><i>The substantial direction setting and oversight role of the Council. e.g. adopting plans and reports, accepting tenders, directing operations, setting and amending budgets.</i></b>
<input type="checkbox"/>	Legislative	<i>Includes adopting local laws, town planning schemes &amp; policies.</i>
<input type="checkbox"/>	Review	<i>When the Council operates as a review authority on decisions made by Officers for appeal purposes.</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>
<input type="checkbox"/>	Information	<i>For the Council/Committee to note.</i>

**KEY ISSUES / SUMMARY**

This report presents:

- The Statements of Financial Activity by Program, Sub-Program and Nature and Type, for the period ending 30 June 2016 and recommends that they be noted by the Council. The final figures for 2015/2016 are yet to be finalised
- The variances for the month of June 2016 and recommends that they be noted by the Council.
- Budget amendments for the period ending 30 June 2016 and recommends that they be adopted by Absolute Majority decision of the Council.

**C16/6002 – STATEMENTS OF FINANCIAL ACTIVITY FOR JUNE 2016 (AMREC)  
(ATTACHMENTS)**
**BACKGROUND**

The Statements of Financial Activity for the period ending 30 June 2016 have been prepared and tabled in accordance with the *Local Government (Financial Management) Regulations 1996*.

**DETAIL**

The attached reports have been prepared in compliance with the requirements of the legislation and Council policy. The three monthly reports that are presented are the:-

1. Rate Setting Statement by Program, which provides details on the Program classifications,
2. Rate Setting Statement by Sub-Program, which provides further details on the Program classifications and,
3. Statement of Financial Activity by Nature and Type which provides details on the various categories of income and expenditure.

For the period ending 30 June 2016, net (i.e. incomes less expenditure) operating positive variances of \$15.61 million and net capital positive variances of \$17.65 million were recorded.

**Variations**

CITY OF MELVILLE STATEMENT OF VARIANCES IN EXCESS OF \$50,000 by Program for the Period Ended 30 June 2016							
	June Actual \$	YTD Rev. Budget \$	YTD Actual \$	Variance \$	Variance %	Annual Budget \$	Annual Rev. Budget \$
<b>Revenue</b>							
Governance	44,888	11,000	116,604	105,604	960%	1,000	11,000
General Purpose Funding	172,536	8,304,000	9,032,910	728,910	9%	9,904,000	8,304,000
Law, Order, Public Safety	19,785	2,538,424	2,610,602	72,178	3%	2,505,824	2,538,424
Community Amenities	443,375	3,226,986	3,828,633	601,647	19%	3,205,507	3,226,986
Recreation and Culture	740,003	8,080,971	7,966,421	(114,550)	-1%	8,294,206	8,080,971
Transport	460,151	4,480,154	4,329,977	(150,177)	-3%	3,124,779	4,480,154
Other Property and Services	6,069,411	1,076,719	7,256,420	6,179,701	574%	3,364,727	3,876,174
	8,132,919	31,186,294	39,044,047	14,210,330	25%	31,022,213	31,186,294
<b>Expenses</b>							
Governance	(459,209)	(4,853,575)	(3,867,135)	986,440	-20%	(4,494,009)	(4,853,575)
General Purpose Funding	(79,225)	(5,206,429)	(5,000,772)	205,657	-4%	(4,243,834)	(5,206,429)
Law, Order, Public Safety	(414,423)	(4,118,807)	(3,966,394)	152,414	-4%	(4,085,120)	(4,118,807)
Health	(108,133)	(1,079,270)	(1,010,898)	68,372	-6%	(1,071,022)	(1,079,270)
Education & Welfare	(290,392)	(2,843,432)	(2,635,982)	207,449	-7%	(2,899,612)	(2,843,432)
Community Amenities	(2,637,881)	(25,307,494)	(22,869,032)	2,438,462	-10%	(25,484,687)	(25,307,494)
Recreation and Culture	(3,462,681)	(30,166,540)	(28,516,745)	1,649,794	-5%	(30,727,148)	(30,166,540)
Transport	(1,785,097)	(14,610,566)	(15,056,195)	(445,629)	3%	(14,386,738)	(14,610,566)
Economic Services	(272,754)	(2,160,438)	(2,655,061)	(494,622)	23%	(2,142,783)	(2,160,438)
Other Property and Services	310,720	(11,708,195)	(10,134,884)	1,573,311	-13%	(11,843,544)	(11,708,195)
	(9,205,741)	(102,093,495)	(95,765,023)	10,743,675	-6%	(101,412,725)	(102,093,495)
<b>Capital Revenue &amp; Expenditure</b>							
Purchase of Furniture & Equipment	(113,663)	(2,612,491)	(1,480,820)	1,131,671	-43%	(1,476,120)	(2,612,491)
Purchase of Plant & Equipment	(4,519)	(5,572,900)	(1,906,728)	3,666,172	-66%	(4,496,368)	(5,572,900)
Purchase of Land & Buildings	(165,142)	(14,310,041)	(9,567,415)	4,742,626	-33%	(5,153,700)	(14,310,041)
Purchase of Infrastructure Assets	(2,824,710)	(21,362,859)	(12,660,889)	8,701,970	-41%	(16,644,956)	(21,362,859)

**C16/6002 – STATEMENTS OF FINANCIAL ACTIVITY FOR JUNE 2016 (AMREC)  
(ATTACHMENTS)**

A more detailed summary of variances and comments based on the Rate Setting Statement by Sub-Program ([6002A Sub Program June 2016](#)) is provided in attachment [6002H June 2016](#).

**Revenue**

\$81.924 million in Rates was raised to 30 June 2016. This is compared with a revised year to date budget of \$81.562 million, resulting in a positive variance of \$362k.

**Money Expended in an Emergency and Unbudgeted Expenditure**

Not applicable for June 2016.

**Budget Amendments**

Details of Budget Amendments requested for the month of June 2016 are shown in attachment [6002J June 2016](#). There are no budget amendment journals greater than \$50,000 that were processed in June 2016.

**Rates Collections and Debtors**

Rates, Refuse, Fire and Emergency Service Authority and Underground Power payments totalling \$1,010,657 were collected over the course of the month. Rates collection progress for the month of June is 0.7% below target which represents a dollar value of \$593,664. As at 30 June, 97.3% of 2015/2016 rates had been collected. This is 0.1% higher than the amount collected for the same time last year.

Total sundry debtor balances increased by \$186,345 over the course of the month from \$358,960 to \$545,305. The 90+ day's debtor balance decreased by \$7,467 from \$44,135 to \$36,688.

**Granting of concession or writing off debts owed to the City**

Delegation DA-032 empowers the Chief Executive Officer (CEO) to grant concessions and write off monies owing to the City to a limit of \$10,000 for any one item. The CEO has partially on-delegated this to the Director Corporate Services to write off debts or grant concessions to a value of \$5,000.

No debts were written off under delegated authority in the month of June 2016.



**C16/6002 – STATEMENTS OF FINANCIAL ACTIVITY FOR JUNE 2016 (AMREC)  
(ATTACHMENTS)**

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

DESCRIPTION	LINK
Rate Setting Statement by Program – June 2016	<a href="#">6002A June 2016</a>
Rate Setting Statement by Sub-Program – June 2016	<a href="#">6002A Sub Program June 2016</a>
Statement of Financial Activity – June 2016	<a href="#">6002B June 2016</a>
Representation of Net Working Capital – June 2016	<a href="#">6002E June 2016</a>
Reconciliation of Net Working Capital – June 2016	<a href="#">6002F June 2016</a>
Notes on Rate Setting Statement reporting on variances of 10% or \$50,000 whichever is greater – June 2016	<a href="#">6002H June 2016</a>
Details of Budget Amendments requested – June 2016	<a href="#">6002J June 2016</a>
Summary of Rates Debtors – June 2016	<a href="#">6002L June 2016</a>
Graph Showing Rates Collections – June 2016	<a href="#">6002M June 2016</a>
Summary of General Debtors aged 90 Days Old or Greater – June 2016	<a href="#">6002N June 2016</a>

**STAKEHOLDER ENGAGEMENT**

**I. COMMUNITY**

Not applicable.

**II. 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 Management) Regulation 1996* Part 4 – Financial Reports Regulation 34 requires that:

**34. Financial activity statement report — s. 6.4**

(1A) In this regulation — **committed assets** means revenue unspent but set aside under the annual budget for a specific purpose.

**C16/6002 – STATEMENTS OF FINANCIAL ACTIVITY FOR JUNE 2016 (AMREC)  
(ATTACHMENTS)**

(1) A local government is to prepare each month a statement of financial activity reporting on the revenue and expenditure, 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 subregulation (1)(d); and
- (c) such other supporting information as is considered relevant by the local government.

(3) The information in a statement of financial activity may be shown —

- (a) according to nature and type classification; or
- (b) by program; or
- (c) by business unit.

(4) A statement of financial activity, and the accompanying documents referred to in subregulation (2), are to be —

- (a) presented at an ordinary meeting of the council within 2 months after the end of the month to which the statement relates; 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 the AAS, to be used in statements of financial activity for reporting material variances.

The variance adopted by the Council is 10% or \$50,000 whichever is greater.

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

**FINANCIAL IMPLICATIONS**

Variances are dealt with in attachment [6002H June 2016](#) (Notes on Statement of Variances in excess of \$50,000 by Sub-Program).

**C16/6002 – STATEMENTS OF FINANCIAL ACTIVITY FOR JUNE 2016 (AMREC)  
(ATTACHMENTS)**

**STRATEGIC, RISK AND ENVIRONMENTAL MANAGEMENT IMPLICATIONS**

There are no identifiable strategic, risk and environmental management implications arising from this report.

**POLICY IMPLICATIONS**

The format of the Statements of Financial Activity 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 financial reports reflect a positive financial position of the City of Melville as at 30 June 2016.

**OFFICER RECOMMENDATION AND COUNCIL RESOLUTION (6002)  
NOTING AND ABSOLUTE MAJORITY**

At 8.00pm Cr Foxtan moved, seconded Cr Phelan –

**That the Council:**

- 1. Notes the Rate Setting Statement and Statements of Financial Activity for the month ending 30 June 2016 as detailed in the following attachments:**

DESCRIPTION	LINK
Rate Setting Statement by Program – June 2016	<a href="#">6002A June 2016</a>
Rate Setting Statement by Sub-Program – June 2016	<a href="#">6002A Sub Program June 2016</a>
Statement of Financial Activity – June 2016	<a href="#">6002B June 2016</a>
Representation of Net Working Capital – June 2016	<a href="#">6002E June 2016</a>
Reconciliation of Net Working Capital – June 2016	<a href="#">6002F June 2016</a>
Notes on Rate Setting Statement reporting on variances of 10% or \$50,000 whichever is greater – June 2016	<a href="#">6002H June 2016</a>
Details of Budget Amendments requested – June 2016	<a href="#">6002J June 2016</a>
Summary of Rates Debtors – June 2016	<a href="#">6002L June 2016</a>
Graph Showing Rates Collections – June 2016	<a href="#">6002M June 2016</a>
Summary of General Debtors aged 90 Days Old or Greater – June 2016	<a href="#">6002N June 2016</a>

- 2. By Absolute Majority Decision adopts the budget amendments, as detailed in the attached Budget Amendment Reports for June 2016 [6002J June 2016](#).**

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

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

**16. EN BLOC ITEMS**

At 8.00pm Cr Wieland moved, seconded Cr Aubrey –

**That the recommendations for items M16/5492, M16/5000, C16/6000 and C16/6001, be carried En Bloc.**

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

**CARRIED UNANIMOUSLY (12/0)**

**17. MOTIONS OF WHICH PREVIOUS NOTICE HAS BEEN GIVEN**

Nil

**18. MOTIONS WITHOUT NOTICE BY ABSOLUTE MAJORITY OF THE COUNCIL**

A Notice of Rescission Motion containing 1/3 of the number of offices of members of the Council, in accordance with Regulation 10 of the Local Government (Administration) Regulations 1996, was received. The Members who signed the notice were: Cr Wieland, Cr Macphail, Cr Schuster, Cr O'Malley and Cr Phelan

**RESCISSION OF MOTION – M16/3713 - DEEP WATER POINT CAFÉ GROUND LEASE PROPOSAL PER REQUEST FOR PROPOSAL (01/14).**

**COUNCIL RESOLUTION**

At 8.01pm Cr Schuster moved, seconded Cr Macphail –

**That permission be granted for the presentation of a Rescission Motion relating to the Confidential Item M16/3713 – Deep Water Point Café Ground Lease Proposal Per Request for Proposal (01/14) to Council.**

At 8.01pm the Mayor submitted the motion, which was declared

**CARRIED UNANIMOUSLY BY ABSOLUTE MAJORITY (12/0)**

**COUNCIL RESOLUTION**

At 8.02pm Cr Schuster moved, seconded Cr Aubrey -

**That the Council:**

- 1 Rescinds point 4 of Confidential Item M16/3713 – Deep Water Point Café Ground Lease Proposal Per Request for Proposal (01/14) resolution.**
- 2 Advises that a ground lease agreement is to contain the following additional information;**
  - a. Conditions relating to the relevant development requirements; and**
  - b. A site survey which defines the lease boundary area and any community areas included within the development (i.e. the Pavilion).**
  - c. A clause that ensures all conditions of the development approval must be satisfied for the ground lease to be operative**

At 8.02pm the Mayor submitted the motion, which was declared

**CARRIED UNANIMOUSLY BY ABSOLUTE MAJORITY (12/0)**

**18. MOTIONS WITHOUT NOTICE BY ABSOLUTE MAJORITY OF THE COUNCIL**Reasons for Motion

Officers noticed that the resolution from 21 June 2016 Ordinary Meeting of the Council did not take account of the commercial requirement to have all relevant conditions of the proposed ground lease incorporated within the lease document rather than identified separately. The proposed changes to the resolution will allow all relevant conditions to be contained in the ground lease document and actioned in a logical manner with break clauses inserted should any condition not be fulfilled.

**ITEM M16/5502 – DEEP WATER POINT CAFÉ GROUND LEASE PROPOSAL PER REQUEST FOR PROPOSAL (01/14) (REC) (CONFIDENTIAL ATTACHMENT)**

Ward : Applecross/Mt Pleasant  
City

Category : Strategic

Application Number : Not Applicable

Property : Deep Water Point Reserve Café Site

Proposal : Long Term Ground Lease Proposal to Build New Café by Dome Group

Owners : 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 : Special Meeting of the Council - 3 February 2016, Confidential Item P16/3690, Ordinary Meeting of Council - 21 June 2016, Confidential Item P16/3713.

Responsible Officer : Jeff Clark  
Governance and Compliance Program Manager

**AUTHORITY / DISCRETION**

**DEFINITION**

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

**ITEM M16/5502 – DEEP WATER POINT CAFÉ GROUND LEASE PROPOSAL PER  
REQUEST FOR PROPOSAL (01/14) (REC) (CONFIDENTIAL ATTACHMENT)****KEY ISSUES / SUMMARY**

- This report advises details of submissions received as a result of the public notice advising the proposed disposition of the area for a ground lease.
- The Council is required to consider all submissions received and then resolve to proceed or amend the proposed disposition.

**BACKGROUND**

The City of Melville at a Special Meeting of the Council dated 3 February 2016 considered the proposed ground lease arrangement at Deep Water Point Reserve which will see the construction of new café facility by the proponent Dome and resolved as follows:

*That the Council:-*

1. *Approves Dome Group's ground lease proposed terms as amended and detailed in this report;*
2. *Requests the provision of the Business Case for the Council prior to approval to advertise the proposal in accordance with Section 3.58 of the Local Government Act 1995; and*
3. *The Council accepts the ground lease valuation report prepared by McGees Property dated 21<sup>st</sup> July 2015 and confirms that the valuation is a true indication of the value.*

The approval sought the completion of the Business Case and public notice and advertising in accordance with Section 3.58 of the *Local Government Act 1995*. The Business Case provided further background and relevant information on the proposal.

The Council at its meeting held on 21 June 2016, resolved as per Confidential Attachment A.:

The City negotiated proposed lease terms which are commensurate with the ground lease valuation report and in keeping with commercial lease terms for the site.

Note: A Motion to Rescind clause 4 of the Resolution of the Council dated 21 June 2016 will be prepared to enable an agreement to be enacted.

**DETAIL**

The Council is required to consider all submissions received and the Council's decision and the reasons for a decision must be recorded in the minutes of the meeting.

**ITEM M16/5502 – DEEP WATER POINT CAFÉ GROUND LEASE PROPOSAL PER REQUEST FOR PROPOSAL (01/14) (REC) (CONFIDENTIAL ATTACHMENT)**

**STAKEHOLDER ENGAGEMENT**

**I. COMMUNITY**

An advertisement inviting submissions on a proposed ground lease arrangement was placed in the West Australian on Wednesday, 6 July 2016 with submissions closing on Wednesday 27 July 2016. Notices were also placed in the Melville Times, the City's Website, the City's Public Notice Board and in all libraries. The following submissions were received;

<b>Submission Number</b>	<b>Summary of Submission</b>	<b>Support/Objection</b>	<b>Officer's Comment</b>
1	Whilst no objection is raised, the submitter has advised that as a local resident who has lived in the area for over 20 years the Café has been an important part of her lifestyle as well as other people in the area and has requested that she be kept informed of any proposed developments for the area.	Support in principle	Noted
2	The submitter raised the question as to why another Dome? Something different is needed on the river and Council should take into consideration the comments of many locals who have commented that they do not want another Dome.	Objection	Given that the proposed Dome Cafe is designed to replace an existing Cafe, the comments are not supported.



**ITEM M16/5502 – DEEP WATER POINT CAFÉ GROUND LEASE PROPOSAL PER REQUEST FOR PROPOSAL (01/14) (REC) (CONFIDENTIAL ATTACHMENT)**

3	The submitter has requested that the Café not be replaced with a National Franchise Café as the area attracts many for its beauty and the individuality of the Café. An independent Café with character is required for this great and well loved location.	Objection	As per comments above
4	The submitter supports the redevelopment of the site and understands that the Dome has the resources' to be able to do this, she would prefer to see a more unique offering in this Location, however, supports any improvements to the site.	Support	Noted
5	The submitter states that she and a few friends visit the Café at Deep Water Point every Thursday and are not happy with the Dome coming to the site, private cafes are much nicer and offer a Seniors discount whereas the Dome won't offer any discounts to Seniors.	Objection	Noted. Some Dome Cafes offer a 10% Seniors Discount.

**II. OTHER AGENCIES / CONSULTANTS**

The key stakeholders are:-

- City of Melville
- Dome Group
- Swan River Trust (Department of Parks and Wildlife)
- Department of Planning and Western Australian Planning Commission

**ITEM M16/5502 – DEEP WATER POINT CAFÉ GROUND LEASE PROPOSAL PER REQUEST FOR PROPOSAL (01/14) (REC) (CONFIDENTIAL ATTACHMENT)**

- Water Corporation
- Western Power
- Main Roads
- Local Residents and Business Operators
- Community Groups (Senior Citizens etc.)

**STATUTORY AND LEGAL IMPLICATIONS**

The *Local Government Act 1995* at Section 3.58 (3) (b) requires the Council to consider all submissions received prior to resolving any action. The Council's decision and the reasons for a decision must be recorded in the minutes of the meeting.

**FINANCIAL IMPLICATIONS**

The financial implications have been detailed in the Business Case provided to the Council under confidential cover for the Ordinary Meeting of the Council on 21 June 2016.

**STRATEGIC, RISK AND ENVIRONMENTAL MANAGEMENT IMPLICATIONS**

There are no strategic, risk or environmental management implications with this proposal apart from what are summarised in the risk table below:-

Risk Statement	Level of Risk	Risk Mitigation Strategy
There is risk that the City of Melville is setting aside a small but important component of freehold land for potentially 42 years under the ground lease opportunity and foregoing the opportunity for alternative for other uses in the future.	<b>Low</b> level of risk	The café site sits within the Deep Water Point Reserve and is zoned Parks and Recreation for public use. It is unlikely that a change of use away from café would be acceptable to the Council or Community and it is therefore reasonable to assume that there are little alternative redevelopment options for the site despite it being freehold land which the City owns.

**ITEM M16/5502 – DEEP WATER POINT CAFÉ GROUND LEASE PROPOSAL PER REQUEST FOR PROPOSAL (01/14) (REC) (CONFIDENTIAL ATTACHMENT)**

<p>There is the risk that if the owner and operator collapse, the City of Melville will inherit the café and will either need to find a suitable experienced operator or alternatively operate the café itself.</p>	<p><b>Low</b> level of risk</p>	<p>Through the Development Agreement and Lease Agreement terms the City will make provision for gaining control of the asset and business in the event of default by Dome and will ensure Dome agrees to guarantees. The City's solicitors McLeods will ensure that the City is protected as can reasonably be expected under Contract Law, by ensuring that the default provisions within the ground lease agreement provide a clear course of action in the unlikely event that Dome Group is placed into Administration or Liquidation.</p>
<p>Loss of amenity during construction phase</p>	<p><b>Low</b> level of risk</p>	<p>Provision of temporary food/coffee van</p>

**POLICY IMPLICATIONS**

The Council's "Land and Property Retention, Disposal and Acquisition" Policy (CP-005) will apply to this transaction. No other Council policies relate to this item.

**ALTERNATE OPTIONS AND THEIR IMPLICATIONS**

1. *Do nothing and retain the existing café and lease arrangement;*

The implications of this option are that the City retains an inadequate café building in need of repair and upgrading that currently delivers a lease income which is substantially below the market valuation of \$50,000 pa.

2. *Terminate Dome as preferred proponent and undertake a fresh RFP process;*

This may not result in the City receiving any new options other than those submissions previously received and will result in further delays in seeing the project approved and delivered.

**ITEM M16/5502 – DEEP WATER POINT CAFÉ GROUND LEASE PROPOSAL PER  
REQUEST FOR PROPOSAL (01/14) (REC) (CONFIDENTIAL ATTACHMENT)**

3. *The City seeks expressions of interest to lease and operate a new café facility which the City builds at its own expense.*

This option is likely to come at a substantial cost to the City in the order of \$2M to build a 350 sqm new café. Whilst the City may receive a pre-commitment to lease the new premises from a suitable café operator there is no guarantee that the café will succeed and continue to pay the City a market based rent. There is also the issue of the City having to maintain the café for the next 20 -30 years of its useful life having already invested in a depreciating asset.

**CONCLUSION**

The City has undertaken an extensive RFP process and negotiation phase to secure the best option to facilitate the redevelopment of a new café facility at Deep Water Point Reserve for the community and improve on the inadequate older existing café facility which was previously leased at \$28,000 pa under a periodic building lease arrangement.

The ground lease option for the City is considered the most suitable proposition as it delivers an improvement in lease value to \$60,000pa well above the existing current lease arrangement. It will also deliver a significant new café and community pavilion facility capable of seating in excess of 250 patrons and guests, at no initial capital cost or ongoing maintenance cost to the City. In lieu of this the City is granting a long term lease of 42 years to Dome Group and foregoing any opportunity to use the site for alternative purpose at some time in the future.

**OFFICER RECOMMENDATION AND COUNCIL RESOLUTION (5502)****APPROVAL**

At 8.02pm moved, Cr Wieland seconder Cr Aubrey –

**That the Council:**

- 1. Notes the submissions received.**
- 2. Authorises the Chief Executive Officer to proceed with the drafting of a Ground Lease Agreement and implementation after a presentation thereof to Elected Members in an Elected Member Information Session.**
- 3. Requests the Chief Executive Officer to advise the submitters in writing of the Council's decision.**

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

**CARRIED UNANIMOUSLY (12/0)**

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

Nil

**20. CLOSURE**

There being no further business to discuss, the Mayor declared the meeting closed at 8.06pm.