

MINUTES

OF THE

ORDINARY MEETING OF THE COUNCIL

HELD ON

TUESDAY 17 OCTOBER 2017

AT 6.30PM IN THE COUNCIL CHAMBERS

MELVILLE CIVIC CENTRE

DISCLAIMER

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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, 17 OCTOBER 2017.

1. OFFICIAL OPENING

The Presiding Member welcomed those in attendance to the meeting and declared the meeting open at 6:32pm. Mr J Clark, Governance and Compliance Program Manager, 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 Meeting Procedures Local Law to ensure the efficient, effective and orderly decision making within this forum.

2. PRESENT

His Worship the Mayor R Aubrey

COUNCILLORS

Deputy Mayor Cr R Aubrey
Cr D Macphail
Cr N Pazolli, Cr C Schuster
Cr J Barton,
Cr C Robartson, Cr M Woodall
Cr P Phelan
Cr T Barling

WARD

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

3. IN ATTENDANCE

Dr S Silcox
Mr S Cope
Ms C Young
Mr J Christie
Mr L Hitchcock
Mr Gavin Ponton (until 6:42pm)
Mr J Clark

Ms C Newman

Ms G Healey-Burgess

Chief Executive Officer
Director Urban Planning
Director Community Development
Director Technical Services
Executive Manager Legal Services
Manager Strategic Urban Planning
Governance and Compliance Program
Manager
Executive Support and Governance
Officer
Minute Secretary

At the commencement of the meeting there were eight members of the public and one representative from the Press in the Public Gallery.

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

Cr N Foxtton – University Ward
Cr G Wieland – Bicton/Attadale

4.2 APPROVED LEAVE OF ABSENCE

Nil.

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

Nil.

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

Nil.

6. QUESTION TIME**6.1 City of Melville Residents and Ratepayers Association**Question 1

Exactly what Council and/or City resources has Mayor Russell Aubrey used, be it counselling, administrative support, advice, time off work, photocopying, use of offices or anything else, in responding to the Local Government Standards Panel Complaint SP 53 of 2016, Mr Gary Crawford vs Mayor Russell Aubrey that as lodged in November 2016, and what is the value of the resources provided?

Response

All costs have been borne by myself as the appellant.

Question 2

What resources has Council and/or the City provided, or intends to provide, to Mayor Aubrey in relation to his application to the State Administrative Tribunal (SAT) for a review of the Standard Panel's 24 August 2017 Penalty Order that requires him to publically apologise to Mr Crawford as a result of his misuse of public office, recognising the Standard's Panel finding Mayor Aubrey misused his office is not a matter for SAT's review?

Response

No resources have been provided by the City as part of the review of the Standard Panel complaint as lodged in November 2016. The matter has been stayed by the State Administrative Tribunal.

7. AWARDS AND PRESENTATIONS

Nil.

8. CONFIRMATION OF MINUTES

8.1 ORDINARY MEETING OF THE COUNCIL – 19 SEPTEMBER 2017 Minutes 19 September 2017

COUNCIL RESOLUTION

At 6.38pm Cr Aubrey moved, seconded Cr Schuster –

That the Minutes of the Ordinary Meeting of the Council held on Tuesday, 19 September 2017, be confirmed as a true and accurate record.

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

CARRIED UNANIMOUSLY (10/0)

8.2 NOTES OF AGENDA BRIEFING FORUM – 3 OCTOBER 2017 Notes 3 October 2017

COUNCIL RESOLUTION

At 6:38pm Cr Aubrey moved, seconded Cr Woodall –

That the Notes of the Agenda Briefing Forum held on Tuesday, 3 October 2017, be received.

At 6:38pm the Mayor submitted the motion, which was declared

CARRIED UNANIMOUSLY (10/0)

9. DECLARATIONS OF INTEREST

9.1 FINANCIAL INTERESTS

Nil.

9.2 DISCLOSURE OF INTEREST THAT MAY CAUSE A CONFLICT

Item C17/6001 – Cr Robartson – Interest under the Code of Conduct
Item 16.1- Cr Schuster – Interest under the Code of Conduct

10. DEPUTATIONS

Item 16.1 Motion with Notice - Peter Ellis Reserve Facilities

Mr R Peake and Mr G Donaldson, executive committee members of the Bull Creek Leeming Junior Football Club.

11. APPLICATIONS FOR NEW LEAVES OF ABSENCE

At 6:40pm Cr Schuster moved, seconded Cr Robartson –

That the application for new leave of absence submitted by Cr Wieland on 17 October 2017 be granted.

At 6:41pm the Mayor submitted the motion, which was declared

CARRIED UNANIMOUSLY (10/0)

12. IDENTIFICATION OF MATTERS FOR WHICH MEETING MAY BE CLOSED

Nil.

13. PETITIONS

Nil.

14. REPORTS OF THE CHIEF EXECUTIVE OFFICER

P17/3766 - MURDOCH ACTIVITY CENTRE – CONVERSION OF BEDBROOK ROW AND YUBARL LANE TO PUBLIC ROADS (REC)

Ward	:	University
Category	:	Operational
Application Number	:	Not Applicable
Property	:	Portion of Fiona Stanley Hospital Site, Lot 101 (No. 102-118) Murdoch Drive Murdoch
Proposal	:	Conversion of existing privately owned roads to public roads
Applicant	:	Landcorp and the Department of Health
Owner	:	State of Western Australia
Disclosure of any Interest	:	No officer involved in the preparation of this report has a declarable interest in this matter.
Previous Items	:	Not Applicable
Responsible Officer	:	Gavin Ponton Manager Strategic Urban Planning

AUTHORITY / DISCRETION

DEFINITION

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

P17/3766 - MURDOCH ACTIVITY CENTRE – CONVERSION OF BEDBROOK ROW AND YUBARL LANE TO PUBLIC ROADS (REC)**KEY ISSUES / SUMMARY**

- Landcorp are progressing creation and sale of lots within the Health and Knowledge Precinct at Murdoch.
- Proposed new Lots 7A-7C is reliant upon access to Yubarl Lane and Bedbrook Road, which are currently private roads, owned and maintained by the Department of Health (DoH).
- Dedication of the existing private roads as public roads will assist in providing access to the proposed Lots 7A-7C, support the growth and vitality of the Murdoch Activity Centre and reflect the current role and appearance of the carriageways.
- Gazettal of the subject roads as public streets will assist in the development of the precinct; however the process will transfer road maintenance responsibilities to the City. Future rate revenue from the newly created lots in the Landcorp project will provide funding which in turn may be attributed to items such as ongoing road maintenance.
- The subject roads include a bridge over a loading dock servicing the Fiona Stanley Hospital (FSH). Ongoing costs of maintaining the bridge may be substantial. Other non-standard infrastructure such as street lighting and drainage will also involve maintenance costs over and above that of a standard road.
- Dedication of the roads and the associated transfer of care and control to the City is supported subject to suitable arrangements being put in place to deal with non-standard elements. In particular, arrangements are required to respond to maintenance complications associated with a road bridge.
- An interim arrangement to secure access to the roads to facilitate the subdivision approval and sale of the lots in the Landcorp project is also supported.

P17/3766 - MURDOCH ACTIVITY CENTRE – CONVERSION OF BEDBROOK ROW AND YUBARL LANE TO PUBLIC ROADS (REC)



BACKGROUND

Yubarl Lane and Bedbrook Row are private roads located within lot boundaries of the (FSH). The roads are currently maintained by the Department of Health (DoH). Proposed Lots 7A-7C of the Landcorp Health and Knowledge Precinct development are reliant upon access to Yubarl Lane and Bedbrook Row.

Department of Health are not opposed to granting access to the Landcorp development sites, although are seeking a permanent arrangement such as gazetting the roads as public roads (as opposed to an option such as granting of access easements). Categorising the roads as public roads would result in the City becoming responsible for the ongoing maintenance costs.

Gazetting the subject roads as public roads creates a number of issues for consideration:

Maintenance:

Conversion of the roads from private to public would result in maintenance responsibility being transferred to the City. Whilst rate income will ultimately be received from the Landcorp development, a major use of the roads would continue to be to service State facilities (FSH and PTA rail station car park).

Street lights:

Existing street lighting is not part of the standard Western Power range. Replacement and ongoing maintenance accordingly would result in additional costs to the City. In other parts of Murdoch, the handover of maintenance responsibility for the street lights has been delayed until they are changed over to standard Western Power (decorative) fittings.

P17/3766 - MURDOCH ACTIVITY CENTRE – CONVERSION OF BEDBROOK ROW AND YUBARL LANE TO PUBLIC ROADS (REC)

Drainage:

Drainage in the Precinct is complex with stormwater from public spaces and the FSH flowing through infrastructure spanning across public land and the FSH site. For other parts of the Murdoch Precinct, agreements have been established with respect to responsibility for maintenance of this drainage network.

Bridge Infrastructure:

Bedbrook Row incorporates a bridge (over Yubarl Lane) which provides access to a FSH loading dock, which is accessed by Yubarl Lane. Ongoing maintenance of the bridge structure may present significant ongoing costs to the City. The purpose of the bridge is wholly to service the State owned FSH.



Source: Landcorp 2016

Scheme Provisions

MRS Zoning	:	Urban
LPS Zoning	:	Urban Development
R-Code	:	Not Applicable
Use Type	:	Not Applicable
Use Class	:	Not Applicable

P17/3766 - MURDOCH ACTIVITY CENTRE – CONVERSION OF BEDBROOK ROW AND YUBARL LANE TO PUBLIC ROADS (REC)**Site Details**

Lot Area	: Not Applicable
Street Tree(s)	: Verge landscaping constructed
Street Furniture (drainage pits etc)	: Road surface, lighting and footpaths constructed
Site Details	: Not Applicable

DETAIL

Landcorp are seeking to resolve the issue of access to proposed Lots 7A-7C to enable creation of Titles, which would then facilitate sale and development. A prospective purchaser for these lots has been announced and concept plans for this stage have been prepared. In these circumstances Landcorp have put forward a proposal and options to achieve access to the sites and to respond to requirements of the City and the DoH. Landcorp are seeking a response from the City with respect to the proposal and options.

Conversion of the existing private roads to public roads is proposed as the ultimate access solution to the development sites. The process to convert the private roads to public roads is however likely to take several months. Accordingly an interim solution is proposed whereby access over the private streets would be secured through easements.

Proposed Steps to Resolve the Access Issue:Step One:

Landcorp, the City and DoH reach agreement on the series of steps required to move towards conversion of the private roads to public roads (prepare interim access easements over the private roads, agreement on maintenance responsibility for non-standard items such as the bridge, street lighting and drainage, complete gazettal of streets as public roads).

Step Two:

Preparation of interim access easement over Yubarl Lane and Bedbrook Row as an initial step (whilst gazettal proceedings are advanced to dedicate the roads as public roads), to satisfy subdivision conditions and to allow preparation of Titles, land sales and development on sites 7A-7C to proceed.

Step Three:

Resolution of ongoing maintenance complications associated with non-standard elements in the road reserve such as the Bedbrook Row Bridge and non-standard lighting infrastructure. In terms of responding to maintenance implications associated with the bridge a concept of a 3D title has been proposed. This concept would involve the creation of a three dimensional title whereby the land comprising the bridge and its support structures could be separated from the land comprising the road surface. Under this arrangement the City would take responsibility of normal road surface maintenance requirements, with responsibility for the bridge component remaining with the State. An alternative to the 3D Title approach has also been identified which would involve transfer of the entire road reserve to the care and control of the City (including the bridge infrastructure) in exchange for a one off compensation payment.

P17/3766 - MURDOCH ACTIVITY CENTRE – CONVERSION OF BEDBROOK ROW AND YUBARL LANE TO PUBLIC ROADS (REC)

The likely need for other agreements and/or compensation arrangements have also been identified with respect to:

- Cost of maintenance/replacement of non-standard street lighting
- Understanding of complexities and maintenance of drainage network

STAKEHOLDER ENGAGEMENT

Advertising Required: Conversion of the existing private roads (Bedbrook Row and Yubarl Lane) does not require an advertising or notification process.

I. COMMUNITY

Bedbrook Row and Yubarl Lane currently function and appear as formed public roads. Engagement with the community on any conversion of their status is not considered to add value to the process.

II. OTHER AGENCIES / CONSULTANTS

The recommended approach to resolution of the road responsibility matter would involve negotiation and agreement between Department of Health and Landcorp.

STATUTORY AND LEGAL IMPLICATIONS

Conversion of a private road to a public road can be achieved either through:

- a) Creation of the public road reserve through the subdivision process, in accordance with the *Planning and Development Act 2005*; or
- b) An owner of land requesting a local government to dedicate the private roads as public roads in accordance with section 56 of the *Land Administration Act 1997*.

The approach to be adopted will be determined through discussions between the City, Department of Health and Landcorp.

P17/3766 - MURDOCH ACTIVITY CENTRE – CONVERSION OF BEDBROOK ROW AND YUBARL LANE TO PUBLIC ROADS (REC)

FINANCIAL IMPLICATIONS

Bedbrook Row and Yubarl Lane are currently private roads, owned and maintained by the DoH. Transfer of the roads to public roads would result in maintenance costs becoming the responsibility of the City. Gazettal of the roads as public roads will assist the sale and development of lots 7A-7C, and ensure a level of access and integration with these roads in keeping with a City centre environment. Sale and development of land in the Health and Knowledge Precinct, including lots 7A-7C, will ultimately generate rate income to offset road maintenance costs. This report highlights that components of the existing roads may present significant cost implications to the City in the longer term (maintenance of an existing bridge on Bedbrook Row and non-standard street lighting) and that it is not considered that the City should have to assume these costs. Cost recovery initiatives are also recommended with respect to the higher streetscape infrastructure and proposed public drainage infrastructure within the Landcorp subdivision. Subject to these qualifications, the cost of road maintenance is expected to be more than covered by anticipated rate revenue to be received from the proposed lots 7A – 7C. Maintenance and renewal costs for surface treatments at Yubarl Lane and Bedbrook Row, excluding the cost of maintenance of the bridge and non-standard street lighting, has been estimated at \$14,600 per annum over 30 years.

STRATEGIC, RISK AND ENVIRONMENTAL MANAGEMENT IMPLICATIONS

Risk Statement	Level of Risk	Risk Mitigation Strategy
The roads proposed to be converted to public roads include non-standard infrastructure including a bridge and non-standard street lighting which may result in additional substantial ongoing maintenance and depreciation costs.	Moderate consequences which are likely, resulting in a High level of risk	Ensure that any support for dedication of the subject roads is on the basis that the non-standard elements (bridge and lighting infrastructure) are not included in the City's ongoing maintenance responsibility.
Council refusal to support options to secure public access to the roads would delay sale and development of the Landcorp Health and Knowledge Precinct sites. Limited public access to the roads would also constrain the vibrancy and functionality of intended development on the subject sites.	Major consequences which are possible, resulting in a High level of risk.	This report recommends agreement to public access arrangements to the roads, whilst ensuring that support for dedication of the subject roads is on the basis that the non-standard elements (bridge and lighting infrastructure) are not included in the City's ongoing maintenance responsibility.

P17/3766 - MURDOCH ACTIVITY CENTRE – CONVERSION OF BEDBROOK ROW AND YUBARL LANE TO PUBLIC ROADS (REC)**POLICY IMPLICATIONS**

Conversion of the existing private roads to public roads would support the objectives of the City's Local Planning Policy 4.4, Murdoch Health and Knowledge Precinct. Formalising vehicle and pedestrian access to the sites would facilitate development, ensure active frontages to future developments and secure the intended level of activity and accessibility throughout Bedbrook Row and Yubarl Lane.

ALTERNATE OPTIONS AND THEIR IMPLICATIONS

The Council may choose not to pursue the dedication of the subject roads as public roads. This option would provide difficulty for the proposed sites in the Landcorp development to be created through the subdivision process and accordingly would delay any sale or development of the sites. Restricted pedestrian and vehicular access to the proposed sites would also constrain development options on the proposed lots and would detract from the intended vitality of the Murdoch precinct. Options such as seeking to secure access to the lots via easements or legal agreements may address these concerns but would lack the certainty of a formal public road dedication. Indications are that the DoH may not support this approach.

It is further noted that the State would have an option to create Bedbrook Row and Yubarl Lane as public roads in the care and control of the City through other alternatives such as the land subdivision process. This approach may limit the ability for the City to resolve identified concerns regarding maintenance of identified non-standard items such as the bridge and lighting.

CONCLUSION

Resolution of access arrangements to Lots 7A-7C is supported in terms of promoting development of the sites and ensuring Bedbrook Row and Yubarl Lane appear and function as city centre, public roads. An interim easement arrangement, ahead of completion of a formal gazettal process regarding the roads is also supported. The handover of the roads however needs to address the issue of future maintenance of the bridge over the FSH loading dock and costs associated with non-standard street lighting. Greater understanding of the complexities of the drainage system is required and agreements put in place to ensure understanding of future cost implications.

Accordingly, the following course of action to resolve this matter is recommended:

1. Agreement for the ultimate gazettal of Bedbrook Row and Yubarl Lane (up to and including the roundabout on Yubarl Lane) as public roads
2. Agreement for an easement to be prepared (at Landcorp's expense) as an interim measure to secure access to these roads for the purpose of subdivision approval, lot sale and development
3. Landcorp, the City and DoH entering into an agreement outlining the approach identified above.

P17/3766 - MURDOCH ACTIVITY CENTRE – CONVERSION OF BEDBROOK ROW AND YUBARL LANE TO PUBLIC ROADS (REC)

Further it is recommended that the City's support for the above arrangements be subject to the following requirements:

- a) Creation of a 3D title for the bridge structure associated with Bedbrook Row and Yubarl Lane with the purpose of ensuring that the City's maintenance responsibilities associated with the creation of the public roads is limited to the surface level infrastructure and not any infrastructure associated with the bridge itself. Alternatively the City would be agreeable to arrangement where responsibility of the bridge section of the road is designated to a State agency such as Main Roads WA.
- b) Preparation/execution of a further agreement and/or compensation arrangement to address:
 - The requirement that the City does not take over responsibility for street lighting until such time as the non-standard light infrastructure is replaced with Western Power standard/decorative equipment.
 - Understanding and implications of complexities and ongoing maintenance of the road drainage network.

OFFICER RECOMMENDATION AND COUNCIL RESOLUTION (3766)**APPROVAL**

At 6.41pm Cr Schuster moved, seconded Cr Macphail –

That the Council:

1. **Supports the ultimate conversion of existing privately owned roads known as Bedbrook Row and Yubarl Lane (up to and including the existing roundabout) to gazetted public roads subject to:**
 - (a) **The Chief Executive Officer negotiating a position on behalf of the City which would clearly indicate the preferred outcome for the City being maintenance responsibilities for the portion of Bedbrook Row containing the bridge being limited to the surface level infrastructure and not any components or structures associated with the bridge itself, or alternatively maintenance responsibilities for the section of road reserve containing the bridge being allocated to a State agency such as Main Roads WA.**
 - (b) **Agreements or arrangements being put in place establishing that the City will not take over responsibility for street lighting infrastructure until such time as the non-standard lighting is replaced with Western Power standard/decorative equipment.**
 - (c) **Satisfactory agreements and/or compensation arrangements being put in place with respect to any identified implications and complexities associated with the ongoing maintenance of the road drainage network.**
2. **Supports the preparation of an access easement over Bedbrook Row and Yubarl Lane as an interim measure to secure access to proposed Lots 7A, 7B and 7C to facilitate subdivision and development on that land subject to any costs for the arrangements being met by Landcorp.**

P17/3766 - MURDOCH ACTIVITY CENTRE – CONVERSION OF BEDBROOK ROW AND YUBARL LANE TO PUBLIC ROADS (REC)

- 3. Supports the City entering into an agreement with Landcorp and the Department of Health confirming the approach and requirements outlined in (1) and (2) above.**
- 4. Authorises the Chief Executive Officer to progress the proposed actions identified above.**

At 6:42pm the Mayor submitted the motion, which was declared

CARRIED UNANIMOUSLY (10/0)

M17/5000 – 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 & 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	<i>For the Council/Committee to note.</i>

KEY ISSUES / SUMMARY

This report details the documents to which the City of Melville Common Seal has been applied for the period from 22 August 2017 up to and including 20 September 2017 for the Council's noting.

M17/5000 – 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

Register Reference	Parties	Description	ECM Reference
1422	City of Melville and Tiffany & Migara Ramanayake	Hire Agreement Heathcote Artist Studio 3 Admin; 1 July - until 31 December 2017	4250254
1432	City of Melville and Sarah Pearn	Hire Agreement Heathcote Artist Studio 1 Admin; 1 July - 31 December 2017	4250251
CS2004	City of Melville and Department of Planning	Progress Amendment 5 to LPS6 as per Council resolution at OMC 15 August 2017	4380935
CS2005	City of Melville and Vodafone	Lease of Crown Land on a new excised site adjoining Beasley Reserve Leeming	TBC
CS2006	City of Melville and Maxine Trainer of 26 Ardross Street, Applecross	Condition of Planning Approval DA-2015-808 - Mixed Use Development - Easement in Gross	DA-2015-808

STAKEHOLDER ENGAGEMENT

I. COMMUNITY

Not applicable.

II. OTHER AGENCIES / CONSULTANTS

Not applicable.

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.

M17/5000 – COMMON SEAL REGISTER (REC)

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 are 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 the Council's information.

OFFICER RECOMMENDATION (5000)**NOTING**

That the Council notes the actions of His Worship the Mayor and the Chief Executive Officer in executing the documents listed under the Common Seal of the City of Melville from 22 August 2017 up to and including 20 September 2017.

At 6:43pm the Mayor submitted the motion, which was declared

CARRIED UNANIMOUSLY EN BLOC (10/0)

C17/6000 - INVESTMENT STATEMENTS AS AT 31 AUGUST 2017 (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	<i>For the Council/Committee to note.</i>

KEY ISSUES / SUMMARY

This report presents the investment statements for the period ending 31 August 2017 for the Council's information and noting.

C17/6000 - INVESTMENT STATEMENTS FOR AUGUST 2017 (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.

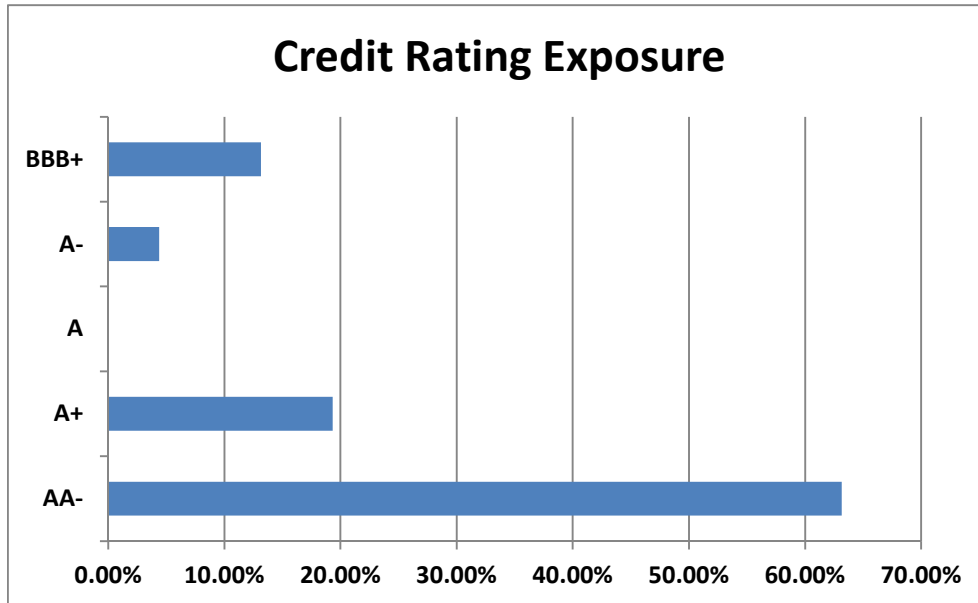
The investment of cash holdings is undertaken in accordance with Council Policy CP-009 - Investment of Funds, with the objective of maximising returns whilst maintaining low levels of credit risk exposure.

DETAIL

Summary details of investments held as at 31 August 2017 are shown in the tables below. The following statements detail the investments held by the City as at 31 August 2017.

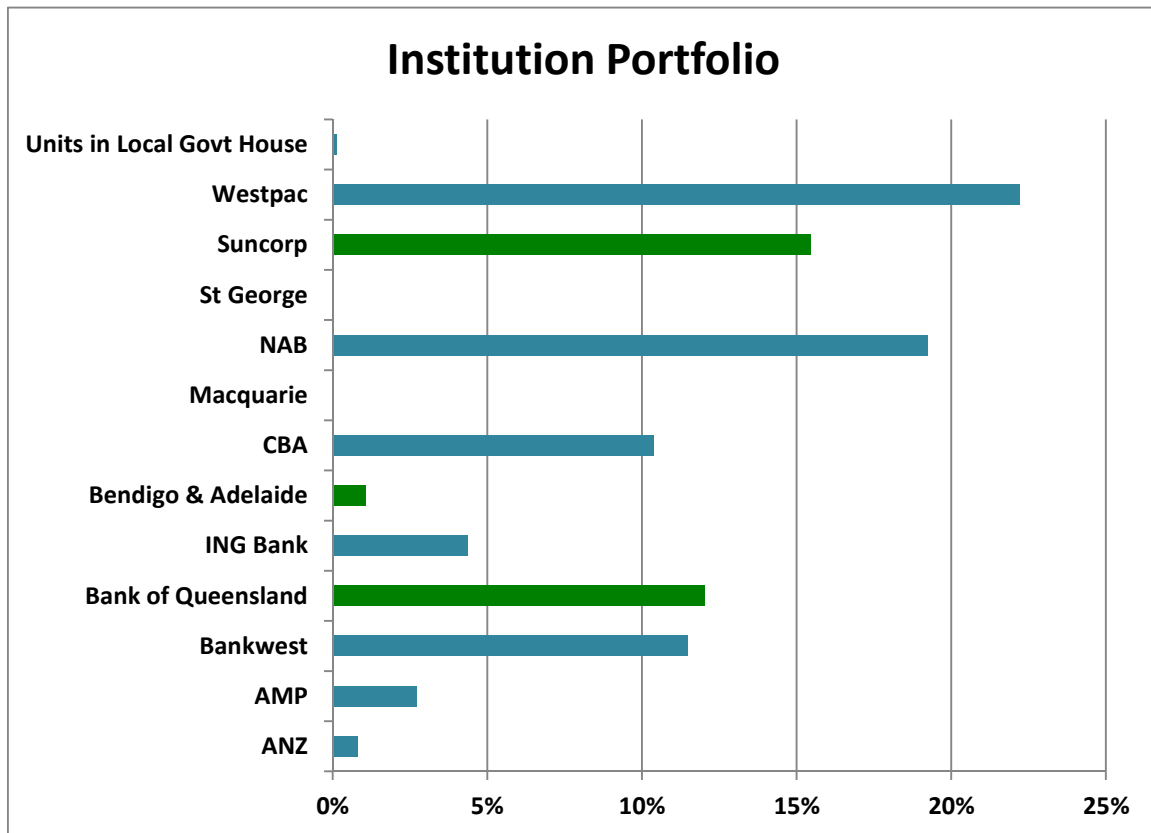
CITY OF MELVILLE	
STATEMENT OF INVESTMENTS	
FOR THE PERIOD ENDING 31 AUGUST 2017	
SUMMARY BY FUND	
	AMOUNT
	\$
MUNICIPAL	\$ 57,254,375
RESERVE	\$ 124,155,837
TRUST	\$ 1,244,547
CITIZEN RELIEF	\$ 210,281
	\$ 182,865,041
SUMMARY BY INVESTMENT TYPE	
	AMOUNT
	\$
11AM	\$ 6,024,962
31DAYS AT CALL	\$ 24,000,000
60DAYS AT CALL	\$ 2,000,000
90DAYS AT CALL	\$ 7,600,000
TERM DEPOSIT	\$ 143,009,434
UNITS (Local Govt Hse)	\$ 230,645
	\$ 182,865,041
SUMMARY BY CREDIT RATING	
	AMOUNT
	\$
AA-	\$ 115,334,396
A+	\$ 35,300,000
A	\$ -
A-	\$ 8,000,000
BBB+	\$ 24,000,000
UNITS (Local Govt Hse)	\$ 230,645
	\$ 182,865,041

C17/6000 - INVESTMENT STATEMENTS FOR AUGUST 2017 (REC)



DIVERSIFICATION RISK & GREEN INVESTMENTS									
INSTITUTION	INVESTMENT TYPE	S & P RATING	AMOUNT	\$	ACTUAL PROPORTION	INSTITUTION PROPORTION	MAX. % WITH ANY ONE INSTITUTION	NON FOSSIL FUEL	INVESTMENT WITH ADI WITH NON FOSSIL FUEL
ANZ BANK (TERM)	TERM	AA-	1,500,000		0.82%	0.82%	30%	No	
AMP BANK (TERM)	TERM	A+	5,000,000		2.73%	2.73%	25%	No	
BANKWEST (TERM)	TERM	AA-	21,000,000		11.48%	11.48%	30%	No	
BANK OF QUEENSLAND (TERM)	TERM	BBB+	22,000,000		12.03%	12.03%	15%	Yes	22,000,000
BENDIGO AND ADELAIDE BANK (TERM)	TERM	BBB+	2,000,000		1.09%	1.09%	15%	Yes	2,000,000
COMMONWEALTH BANK (TERM)	TERM	AA-	19,000,000		10.39%	10.39%	30%	No	
ING BANK (TERM)	TERM	A-	8,000,000		4.37%				
ING BANK (FRTD)	FRTD	A-	-		0.00%	4.37%	25%	No	
MACQUARIE BANK (TERM)	TERM	A	-		0.00%	0.00%	25%	No	
NAB (TERM)	TERM	AA-	35,209,434		19.25%	19.25%	30%	No	
ST GEORGE BANK (TERM)	TERM	AA-	-		0.00%	0.00%	30%	No	
SUNCORP METWAY LTD (TERM)	TERM	A+	28,300,000		15.48%	15.48%	25%	Yes	28,300,000
WESTPAC (MAXI BONUS 1)	11AM	AA-	2,366,556		1.29%				
WESTPAC (MAXI BONUS 2)	11AM	AA-	1,041,146		0.57%				
WESTPAC (MAXI DIRECT)	11AM	AA-	2,617,260		1.43%				
WESTPAC (31DAYS AT CALL)	31DAYS AT CALL	AA-	24,000,000		13.12%				
WESTPAC (60DAYS AT CALL)	60DAYS AT CALL	AA-	2,000,000		1.09%				
WESTPAC (90DAYS AT CALL)	90DAYS AT CALL	AA-	7,600,000		4.16%				
WESTPAC (TERM)	TERM	AA-	1,000,000		0.55%	22.22%	30%	No	
UNITS IN LOCAL GOV'T HOUSE	NA	NA	230,645		0.13%	0.13%		N/A	
			182,865,041		100%	100%			52,300,000
Total Non Fossil Fuel Lending ADI									29%

C17/6000 - INVESTMENT STATEMENTS FOR AUGUST 2017 (REC)



Non Fossil Fuel Authorised Deposit Taking Institutions. (ADI's)

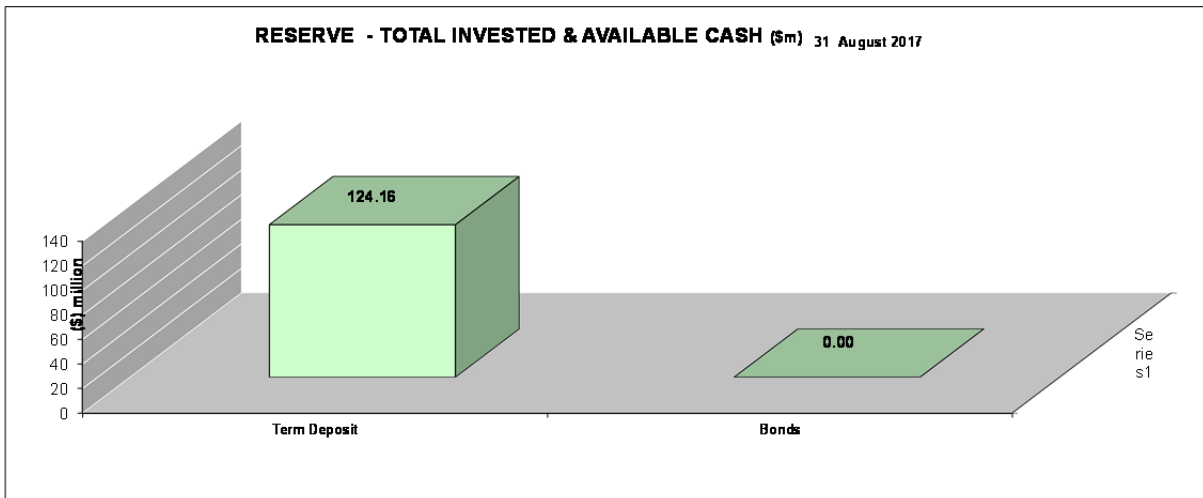
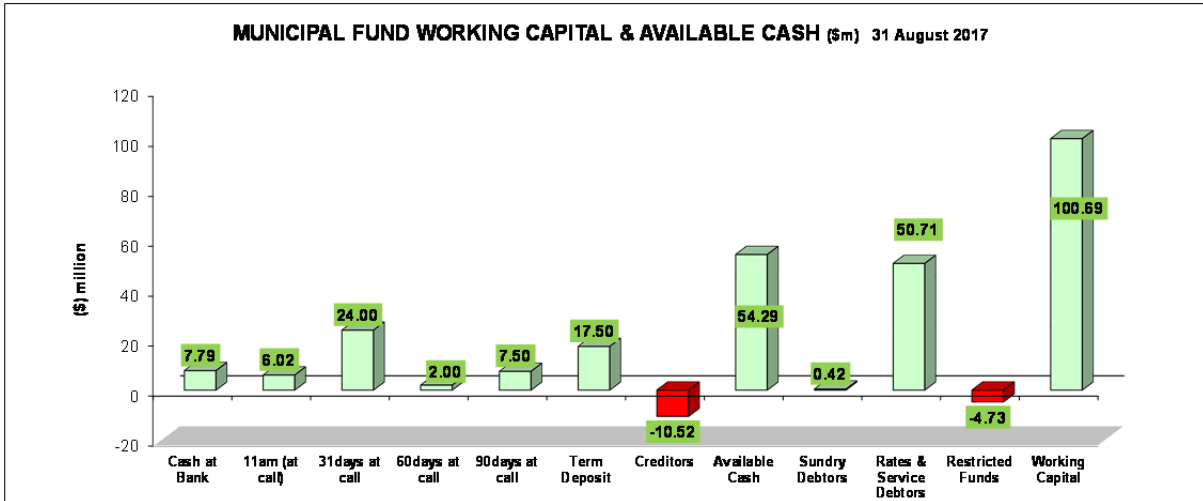
“Green investments” are authorised investment products made in authorised institutions that respect the environment by not investing in fossil fuel industries.

The total investment in authorised institutions that do not lend to industries engaged in the exploration for, or production of, fossil fuels, as at 31 August was \$52,300,000 or 29% of total investment holdings being in non-fossil fuels institutions. This compared \$46,300,000 (35%) in July 2017. The amount of investment holdings in non-fossil fuels institutions increased between July and August however, the percentage of holding decreased as more funds are being invested in August 2017.

C17/6000 - INVESTMENT STATEMENTS FOR AUGUST 2017 (REC)

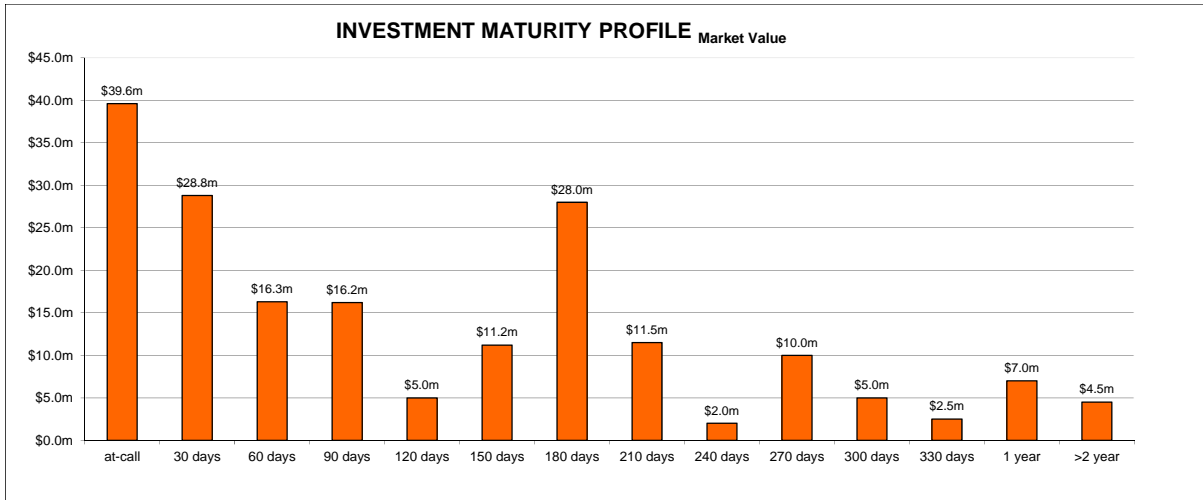
Net Funds Held

The graphs on the following page summarise the Municipal Fund working capital and available cash and the funds held in Cash Backed Specific Purpose Reserve Accounts as at 31 August 2017.



C17/6000 - INVESTMENT STATEMENTS FOR AUGUST 2017 (REC)

The graph below summarises the maturity profile of the City's investments at market value as at 31 August 2017.



STAKEHOLDER ENGAGEMENT

I. COMMUNITY

This report is available to the public on the City's web-site.

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).

Effective from 13 May 2017 the *Local Government (Financial Management) Regulations 1996* were amended (regulation 19C) to allow local governments to deposit funds for a fixed term of three years or less. The regulation previously only allowed for deposits of 12 months or less. Deposits of greater than one year may enable the City to achieve better investment returns.

C17/6000 - INVESTMENT STATEMENTS FOR AUGUST 2017 (REC)

FINANCIAL IMPLICATIONS

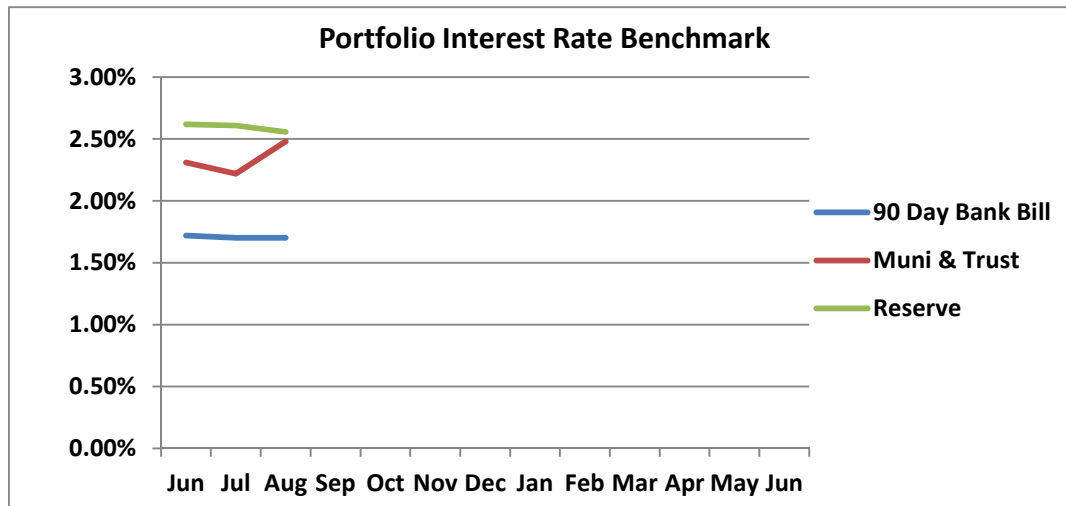
For the period ending 31 August 2017:

- Investment earnings on Municipal and Trust Funds were \$111,018 against a year to date budget of \$101,167 representing a \$9,851 positive variance.

The weighted average interest rate for Municipal and Trust Fund investments as at 31 August 2017 was 2.48% which compares favourably to the benchmark three month bank bill swap (BBSW) reference rate of 1.70%.

- Investment earnings on Reserve accounts were \$464,639 against a year to date budget of \$441,433 representing a \$23,206 positive variance.

The weighted average interest rate for Reserve account investments as at 31 August 2017 was 2.56% which compares favourably to the benchmark three month bank bill swap (BBSW) reference rate of 1.70%.



STRATEGIC, RISK AND ENVIRONMENTAL MANAGEMENT IMPLICATIONS

Strategic

The interest earned on invested funds assists in addressing the following key priority area identified in The City of Melville Corporate Business Plan 2016-2020.

Priority Number One – “Restricted current revenue base and increasing /changing service demands impacts on rates”.

Risk

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.

C17/6000 - INVESTMENT STATEMENTS FOR AUGUST 2017 (REC)

Effective from 13 May 2017 the *Local Government (Financial Management) Regulations 1996* were amended (regulation 19C) to allow local governments to deposit funds for a fixed term of three years or less. The regulation previously only allowed for deposits of 12 months or less. Deposits of greater than one year may enable the City to achieve better investment returns. 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.

Environmental

When investing the City's funds, a deliberative preference will be made in favour of authorised institutions that respect the environment by not investing in fossil fuel industries. This preference will however, only be exercised after the foremost investment considerations of credit rating, risk diversification and interest rate return are fully satisfied.

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*.

Council Policy CP-030 – Environmental states that the “The City aims to prevent, manage and minimise environmental impacts associated with its activities, while conserving and enhancing the City's biodiversity and environmental quality, thereby maintaining and creating healthy surroundings for the community.” Whilst this Policy directly relates to the environmental impacts that relate to activities within the Cities boundaries and there is a tenuous link between the City's investment activities and lending to organisations producing fossil fuels, the City will to the extent it can without putting invested funds at undue risk, direct its investments to financial institutions that do not lend to those organisations.

ALTERNATE OPTIONS AND THEIR IMPLICATIONS

Not applicable as this report only presents information for noting.

C17/6000 - INVESTMENT STATEMENTS FOR AUGUST 2017 (REC)**CONCLUSION**

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

29% of the City's investment portfolio is invested in authorised deposit taking institutions that do not lend to industries engaged in the exploration for, or production of, fossil fuels.

Future investment earnings are expected to continue to decrease when compared to previous years as interest rates continue to stay low and readjustment from the Standard and Poor's Australian ratings on the banks (from A- to BBB+) will force us to reduce our investment with institutions that do not lend to industries engaged in the exploration for, or production of, fossil fuels.

Council Policy CP-009 Investment of Funds was amended at the Ordinary Meeting of Council meeting held 20 June 2017, Item C17/5561- Policy Review – Corporate Services, to reflect the above change to legislation and an increase in the thresholds for BBB+ investments.

OFFICER RECOMMENDATION (6000)**NOTING**

That the Council notes the Investment Report for the period ending 31 August 2017.

At 6:43pm the Mayor submitted the motion, which was declared

CARRIED UNANIMOUSLY EN BLOC (10/0)

C17/6001 – SCHEDULE OF ACCOUNTS PAID FOR AUGUST 2017 (REC) (ATTACHMENT)

Disclosure of Interest

Item No. C17/6001
 Member Cr Clive Robartson
 Type of Interest Interest under the Code of Conduct
 Nature of Interest Cr Robartson's son manages company tendered services to the City – Cleansweep (WA) P/L
 Request Stay, Discuss and Vote
 Decision of Council Not Required

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>
<input type="checkbox"/>	Legislative	<i>Includes adopting local laws, town planning schemes & 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	<i>For the Council/Committee to note.</i>

C17/6001 – SCHEDULE OF ACCOUNTS PAID FOR AUGUST 2017 (REC) (ATTACHMENT)

KEY ISSUES / SUMMARY

This report presents the details of payments made under delegated authority to suppliers for the month of August 2017 and recommends that the Schedule of Accounts Paid be noted.

BACKGROUND

Delegated Authority DA-035 has been granted to the Chief Executive Officer to make payments from the Municipal and Trust Funds. This authority has then been on-delegated to the Director Corporate Services. In accordance with Regulation 13.2 and 13.3 of the *Local Government (Financial 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 31 August 2017 including Payment Registers numbers, Cheques 602 to 609 and Electronic Funds Transfers batches 465 to 470, Trust Payments, Card Payments and Payroll was distributed to the Elected Members of the Council on 29 September 2017. Payments for the period totalled \$8,151,134.33 for the Municipal Fund and \$58,526.55 for the Trust Fund whilst new investment transactions totalled \$53,500,000.00. Details of the payments are shown in attachment [6001 August 2017](#).

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

Supplier Name	Remittance Number	Remittance Details	Amount
Amcom Pty Ltd T/A Vocus Communications	E058583	Cross connect, fibre optic charges, data centre charges and unlimited internet	\$53,205.15
Asphaltech Pty Ltd	E058592	Road resurfacing at various sites	\$204,071.96
Australia Post	E058519 & E058797	Mail charges	\$46,385.33
Building & Construction Industry Training Fund	Chq 007157	Remittance of the building construction training levy collected by the City with building licence applications	\$29,439.60
Caltex	Direct Bank Transfer	Caltex fuel	\$82,472.20
City of Cockburn	E058450	Commercial waste tip fees for July	\$31,892.33
Department of Commerce	E058425	Remittance of Building Service Levy collected on building licence applications	\$29,086.95
Department of Fire & Emergency Services	E058582	ESL remittance for July 2017	\$300,696.15
Dickies Tree Service	E058453 & E058723	Tree lopping services	\$60,162.25
Flexi Staff	E058474 & E058747	Temporary employment	\$30,998.48
Hydroquip Pumps	E058479 & E058751	Irrigation parts and pump repairs at various sites	\$71,197.50
M P Rogers & Associates Pty Ltd	E058516 & E058793	Design consultancy for foreshore revetment works and replacement of boat ramps at Deep Water Point	\$34,840.48
Macs Maintenance & Contracting Services	E058430	Refurbishment works at LeisureFit Booragoon	\$126,736.28

C17/6001 – SCHEDULE OF ACCOUNTS PAID FOR AUGUST 2017 (REC) (ATTACHMENT)

McLeods (Barristers and Solicitors)	E058515 & E058792	Legal services	\$31,260.24
Murdoch University	E058704	Progress payment for Synthetic Playing Surfaces project	\$618,750.00
Natural Area Management & Services	E058676 & E058956	Planting, weed control, erosion maintenance, grass treatment and revetment works at various Reserves	\$114,208.65
RBM Drilling	E058769	Bore replacement at Point Walter Golf Course	\$47,630.00
Sheoaks Landscapes	Chq 067361 & E058899	Progress claim for entrance upgrade at Blue Gum Community Centre	\$29,779.00
Southern Metropolitan Regional Council	E058532 & E058813	Green waste, MSW and MRF gate fees for July and MSW gate fees for August	\$784,753.32
South West Group	E058497	2017-2018 member council contribution 1 st instalment	\$51,982.50
Synergy	E058473 & E058746	Electricity charges	\$267,712.45
TJS Cleaning Services Perth Pty Ltd	E058601	Cleaning services for LeisureFit Booragoon and Melville and AH Bracks Library	\$45,741.50
Tree Amigos Tree Surgeons	E058557 & E058842	Tree lopping services	\$29,922.39
Turfmaster	E058741	Mowing at various sites	\$33,675.40
Youngs Plumbing Service Pty Ltd	E058542 & E058825	Building maintenance	\$31,360.37

Payroll

Supplier Name	Remittance Number	Remittance Details	Amount
Various Banking Institutions	Direct Bank Transfers 09.08.2017 & 23.08.2017	Payment of salaries and wages to City employees net of tax and deduction for pays 3 and 4	\$2,123,819.49
Australian Taxation Office	Direct Bank Transfers 09.08.2017 & 23.08.2017	Pay as You-Go taxation and other deductions from employee payroll for pays 3 and 4	\$635,819.00
Creditors	Direct Bank Transfers 09.08.2017 & 23.08.2017	Payment of superannuation, union membership, council rates, vehicle deductions, Centrelink, etc. for pays 3 and 4	\$499,528.12
Total			\$3,259,166.61

STAKEHOLDER ENGAGEMENT

I. COMMUNITY

Not applicable.

II. OTHER AGENCIES / CONSULTANTS

Not applicable.

C17/6001 – SCHEDULE OF ACCOUNTS PAID for AUGUST 2017 (REC) (ATTACHMENT)**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.

STRATEGIC, RISK AND ENVIRONMENTAL MANAGEMENT IMPLICATIONS

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

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 as this report presents information for noting only.

CONCLUSION

Payments for interfund for the period totalled \$8,151,134.33 for the Municipal Fund and \$58,526.55 for the Trust Fund whilst new investment transactions totalled \$53,500,000.

The report and attached Schedule of Accounts Paid is presented 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 31 August 2017 as approved by the Director Corporate Services in accordance with delegated authority DA-035, and detailed in attachment [6001 August 2017](#)

At 6:43pm the Mayor submitted the motion, which was declared

CARRIED UNANIMOUSLY EN BLOC (10/0)

**C17/6002 – STATEMENTS OF FINANCIAL ACTIVITY FOR AUGUST 2017 (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"/>	Executive	<i>The substantial direction setting and oversight role of the Council. e.g. adopting plans and reports, accepting tenders, directing operations, setting and amending budgets.</i>
<input type="checkbox"/>	Legislative	<i>Includes adopting local laws, town planning schemes & policies.</i>
<input type="checkbox"/>	Review	<i>When the Council 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 31 August 2017 and recommends that they be noted by the Council.
- The variances for the month of August 2017 and recommends that they be noted by the Council.
- The Budget amendments required for the month of August 2017 and recommends that they be adopted by Absolute Majority decision of the Council.
- Financial Statements for the year ending 30 June 2017 have now been finalised and are subject to final administrative review and will be submitted to auditors by 30 September 2017. The annual audit will commence 2 October 2017.

**C17/6002 – STATEMENTS OF FINANCIAL ACTIVITY FOR AUGUST 2017 (AMREC)
(ATTACHMENTS)**
BACKGROUND

The Statements of Financial Activity for the period ending 31 August 2017 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.

Variances

CITY OF MELVILLE EXTRACT OF RATE SETTING STATEMENT FOR VARIANCE IN EXCESS OF \$50,000 for the Period 1 July 2017 to 31 August 2017							
	August Actual \$	YTD Rev. Budget \$	YTD Actual \$	Variance \$	Variance %	Annual Budget \$	Annual Rev. Budget \$
Revenue							
General Purpose Funding	(151,071)	4,251,890	3,874,376	(377,514)	-9%	10,206,355	10,206,355
Transport	306,678	297,076	352,982	55,906	19%	3,092,980	3,721,113
Other Property and Services	76,844	(53,956)	146,849	200,806	-372%	1,881,450	2,235,250
	1,061,367	11,191,520	11,058,675	(132,845)	-1%	33,687,094	34,948,097
Expenses							
Governance	(334,353)	(897,302)	(701,876)	195,426	-22%	(5,263,277)	(5,436,369)
General Purpose Funding	(319,348)	(118,865)	(350,930)	(232,065)	195%	(3,232,581)	(3,232,581)
Law, Order, Public Safety	(332,507)	(651,833)	(589,670)	62,163	-10%	(4,118,059)	(4,212,114)
Education & Welfare	(203,018)	(457,249)	(364,189)	93,060	-20%	(2,729,585)	(2,755,855)
Community Amenities	(1,471,485)	(4,252,210)	(3,479,714)	772,496	-18%	(24,667,337)	(25,136,079)
Recreation and Culture	(2,212,955)	(4,891,422)	(3,868,538)	1,022,884	-21%	(29,988,278)	(30,287,804)
Transport	(1,410,663)	(2,989,642)	(2,631,126)	358,517	-12%	(17,725,955)	(17,790,955)
Other Property and Services	(641,258)	(2,505,251)	(2,109,581)	395,670	-16%	(10,369,279)	(11,033,089)
	(7,277,615)	(17,358,012)	(14,675,211)	2,682,802	-15%	(101,719,144)	(103,529,641)
Net Result Excluding Rates	(6,216,248)	(6,166,493)	(3,616,536)			(68,032,050)	(68,581,544)
Capital Revenue & Expenditure							
Purchase of Furniture & Equipment	(12,504)	(127,329)	(9,771)	117,558	-92%	(2,173,668)	(3,235,616)
Purchase of Plant & Equipment	(1,085)	(280,692)	(1,924)	278,768	-99%	(2,235,727)	(3,699,470)
Purchase of Land & Buildings	(204,820)	(313,792)	(236,823)	76,969	-25%	(12,992,772)	(20,369,234)
Purchase of Infrastructure Assets	(635,876)	(2,062,048)	(1,144,482)	917,566	-44%	(17,552,829)	(23,399,966)

**C17/6002 – STATEMENTS OF FINANCIAL ACTIVITY FOR AUGUST 2017 (AMREC)
(ATTACHMENTS)**

A more detailed summary of variances and comments based on the Rate Setting Statement by Sub-Program is provided in attachments ([6002C Sub Program August 2017](#)) and [6002H August 2017](#).

Revenue

\$85.54 million in Rates was raised to 31 August 2017, compared to \$82.63 million for the same reporting period last year. This is compared with a revised year to date budget of \$85.18 million, resulting in a positive variance of \$357,852. This variance has arisen out of a combination of a provision for doubtful debts on potentially non rateable residential properties, and additional commercial gross rental values being applied to commercial properties that had not been received when rates modelling was conducted during the development of the 2017-2018 Budget, resulting in additional commercial rates income.

Money Expended in an Emergency and Unbudgeted Expenditure

Not applicable for August 2017.

Budget Amendments

Details of Budget Amendments requested for the month of August 2017 are shown in attachment [6002J August 2017](#). Highlighted are twenty budget amendment journals greater than \$50,000 that were processed in August 2017:

- \$32,717,868 – Transfer capital works program budgets to the correct responsible officers.
- \$264,164 – Re-assignment of budget to responsible officers in various capital projects.
- \$1,000,000 – Transfer funding for LeisureFit Melville/AH Bracks Library upgrade from reserve.
- \$1,436,267 – Transfer of capital works income budgets to match expenditure for Tompkins Park upgrade and Marmion Street from “Metropolitan Regional Road Group” (MRRG) project. \$50,000 – Additional funding required for Bull Creek Library refurbishment project transferred from John Connell toilet refurbishment.
- \$109,200 – Transfer of budget from Land & Property reserve to fund the demolition of Deep Water Point Café.
- \$8,131,597 – Capital works building related projects transferred to new cost centre in line with changes to asset capitalisation process.
- \$280,000 – Creation of budget for grant funding from Main Roads Western Australia (MRWA) for project MacRaw Road realignment.
- \$525,000 – Transfer of budget for Tompkins Park redevelopment income to correct cost centre.
- \$1,000,000 – Transfer from reserve for LeisureFit Melville / AH Bracks Library upgrade.
- \$1,550,000 – Transfer of budget for LeisureFit Melville upgrade to correct cost centre.
- \$378,133 – Capital income carry forwards.
- \$65,000 – Carry forward of funds from 2016-2017 for relocation of Civic Square Library.

**C17/6002 – STATEMENTS OF FINANCIAL ACTIVITY FOR AUGUST 2017 (AMREC)
(ATTACHMENTS)**

- \$99,807 – Transfer of budget Shirley Strickland Reserve upgrade to correct cost centre.
- \$72,903 – Transfer of salary budget from Corporate Services to Fleet Services for administration staff permanently allocated to Fleet Services.
- \$385,579 – Transfer of budget Shirley Strickland Reserve verge parking to correct cost centre.
- \$548,803 – Transfer of salaries and related budgets for City Buildings staff to new cost centre for Project Management team.

Rates Collections and Debtors

Rates, Refuse, Fire and Emergency Service Authority and Underground Power payments totalling \$60,054,596 were collected over the course of the month. Rates collection progress for the month of August is 1.6% below the target of 57%. This represents a dollar value of \$1,778,466. As at 31 August 55.4% of 2017-2018 rates, including prior year arrears had been collected compared with 56.2% collected for the same time last year. Rates collection for 2017-2018 excluding prior year rates arrears is 57.15%.

Total sundry debtor balances decreased by \$284,234 over the course of the month from \$728,444 to \$444,210. The 90+ day's debtor balance decreased by \$76 from \$30,048 to \$29,972.

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.

During the month of August an amount of \$310.02 was written off under delegated authority, as the City has exhausted its avenues to recover costs for verge re-instatement works from a debtor.

**C17/6002 – STATEMENTS OF FINANCIAL ACTIVITY FOR AUGUST 2017 (AMREC)
(ATTACHMENTS)**

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

DESCRIPTION	LINK
Statement of Financial Activity By Nature and Type – August 2017	<u>6002A Nature Type August 2017</u>
Rate Setting Statement by Program – August 2017	<u>6002B Program August 2017</u>
Rate Setting Statement by Sub-Program – August 2017	<u>6002C Sub Program August 2017</u>
Representation of Net Working Capital – August 2017	<u>6002E August 2017</u>
Reconciliation of Net Working Capital – August 2017	<u>6002F August 2017</u>
Notes on Rate Setting Statement reporting on variances of 10% or \$50,000 whichever is greater – August 2017	<u>6002H August 2017</u>
Details of Budget Amendments requested – August 2017	<u>6002J August 2017</u>
Summary of Rates Debtors – August 2017	<u>6002L August 2017</u>
Graph Showing Rates Collections – August 2017	<u>6002M August 2017</u>
Summary of General Debtors aged 90 Days Old or Greater – August 2017	<u>6002N August 2017</u>

STAKEHOLDER ENGAGEMENT

I. COMMUNITY

Local Public Notice of the proposed Amendments to the Schedule of Fees and Charges will be undertaken by public advertisement in the Melville Times, in respect of the above fees and charges if they are adopted by the Council.

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:

**C17/6002 – STATEMENTS OF FINANCIAL ACTIVITY FOR AUGUST 2017 (AMREC)
(ATTACHMENTS)****34. Financial activity statement report — s. 6.4**

(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.

**C17/6002 – STATEMENTS OF FINANCIAL ACTIVITY FOR AUGUST 2017 (AMREC)
(ATTACHMENTS)****FINANCIAL IMPLICATIONS****Variances**

Variances are dealt with in attachment [6002H August 2017](#) (Notes on Statement of Variances in excess of \$50,000 by Sub-Program).

STRATEGIC, RISK AND ENVIRONMENTAL MANAGEMENT IMPLICATIONS

There are no identifiable strategic, risk or 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 31 August 2017.

**C17/6002 – STATEMENTS OF FINANCIAL ACTIVITY FOR AUGUST 2017 (AMREC)
(ATTACHMENTS)**

OFFICER RECOMMENDATION (6002)

NOTING AND ABSOLUTE MAJORITY

At 6.42pm Cr Schuster moved, seconded Cr Aubrey –

That the Council:

- Notes the Rate Setting Statement and Statements of Financial Activity for the month ending 31 August 2017 as detailed in the following attachments:**

DESCRIPTION	LINK
Statement of Financial Activity By Nature and Type – August 2017	<u>6002A Nature Type August 2017</u>
Rate Setting Statement by Program – August 2017	<u>6002B Program August 2017</u>
Rate Setting Statement by Sub-Program – August 2017	<u>6002C Sub Program August 2017</u>
Representation of Net Working Capital – August 2017	<u>6002E August 2017</u>
Reconciliation of Net Working Capital – August 2017	<u>6002F August 2017</u>
Notes on Rate Setting Statement reporting on variances of 10% or \$50,000 whichever is greater – August 2017	<u>6002H August 2017</u>
Details of Budget Amendments requested – August 2017	<u>6002J August 2017</u>
Summary of Rates Debtors – August 2017	<u>6002L August 2017</u>
Graph Showing Rates Collections – August 2017	<u>6002M August 2017</u>
Summary of General Debtors aged 90 Days Old or Greater – August 2017	<u>6002N August 2017</u>

- By Absolute Majority Decision adopts the budget amendments, as detailed in the attached Budget Amendment Reports for August 2017 [6002J August 2017](#).**

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

CARRIED UNANIMOUSLY BY ABSOLUTE MAJORITY (10/0)

15. EN BLOC ITEMS

At 6.42pm Cr Macphail moved, seconded Cr Phelan –

That the recommendations for items M17/5000, C17/6000 and C17/6001 be carried En Bloc.

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

CARRIED UNANIMOUSLY (10/0)

At 6.42pm Mr G Ponton left the meeting and did not return.

At 6.51pm Mr L Hitchcock left the meeting and returned at 6.52pm.

At 7.32pm Cr Pazolli left the meeting and returned at 7.34pm.

At 7.49pm Mr L Hitchcock left the meeting and returned at 7.50pm.

16. MOTIONS OF WHICH PREVIOUS NOTICE HAS BEEN GIVEN**16.1 Peter Ellis Reserve Facilities**Disclosure of Interest

Item No.	16.1 Peter Ellis Reserve Facilities
Member	Cr Cameron Shuster
Type of Interest	Interest under the Code of Conduct
Nature of Interest	Mr Dobson, President of the Bull Creek Leeming Junior Football Club is a personal friend.
Request	Stay, Discuss and Vote
Decision of Council	Not Required

At 6:43pm a Deputation was received from Mr R Peake and Mr G Donaldson, executive committee members of the Bull Creek Leeming Junior Football Club.

16. MOTIONS OF WHICH PREVIOUS NOTICE HAS BEEN GIVEN**16.1 Peter Ellis Reserve Facilities**

At 7:10pm Cr Woodall moved, seconded Cr Schuster–

That the Council directs the Chief Executive Officer to:

- 1. Investigate options for the improvement of facilities at Peter Ellis Reserve in Leeming that would allow local sporting clubs to make better use of the playing fields;**
- 2. Include in the investigation discussion with the current user groups to determine their interest in the Reserve and future growth projections, as well as any capacity they may have to support infrastructure improvements at the Reserve; and**
- 3. Report the findings and any recommendations of the investigation to Elected Members at an Elected Members Information Session to be held prior to the end of February 2018.**

At 7:55pm the Mayor submitted the motion, which was declared

CARRIED UNANIMOUSLY (10/0)

Reasons for Motion

Cr Woodall provided the following reasons in support of the Motion -

1. Peter Ellis Reserve in Leeming is currently used primarily by the Bullcreek Leeming Junior Football Club (BLJFC) and the Leeming Spartan Cricket Club as one of their training/playing grounds. Unlike John Connell Reserve and Beasley Oval, Peter Ellis Reserve lacks council-controlled toilet and change room facilities, lacks kitchen facilities and has few other amenities. There is a very small changeroom available, but it is the property of the Leeming Senior High School and not suitable for sporting clubs.
2. The installation of new floodlights at Peter Ellis presents a useful opportunity to review other facilities at the reserve to ensure that it is utilised efficiently and meets the needs of local sporting groups.
3. The BLJFC currently play primarily at Beasley Oval, but have expressed an interest in making a significant contribution to facilities at Peter Ellis with a view to using it more regularly as a second ground. This is part of their strategy to develop girls football which, through WAFC-controlled fixturing, clashes with most junior and amateur game times at Beasley Oval.
4. This would benefit BLJFC as Beasley Oval is currently shared with the Bull Creek Leeming Amateur Football Club, and the heavy use of the ground results in significant damage to the turf over winter. It is one of the most utilised ovals in the East/South Fremantle district with football held from 07.50am to 5.30pm Sunday with no gaps in availability. There is a significant cost to the City in keeping Beasley Oval in good condition.
5. Given the significant number of players spread across the local football, cricket and other sporting clubs, and the lack of available playing fields in the City, it is important that each ground is used to its full potential. Peter Ellis Reserve is currently underutilised due to its inadequate facilities, and the installation of the new floodlights presents a good opportunity to review all of the facilities at the reserve.

17. MOTIONS WITHOUT NOTICE BY ABSOLUTE MAJORITY OF THE COUNCIL

Nil.

18. IDENTIFICATION OF MATTERS FOR WHICH MEETING MAY BE CLOSED

Nil.

19. CLOSURE

The Mayor recognised and thanked Mr John Christie, Director Technical Services for his contribution to the City of Melville and wished him and his family well and every success as he takes up his position as Chief Executive Officer at the City of Belmont.

Mr Christie expressed his appreciation to all the Elected Members for their support during his time with the City of Melville.

The Mayor thanked all Elected Members up for re-election for their contribution during their time on Council and wished them well for the Election on Saturday. The Mayor took the opportunity to recognise the Deputy Mayor, Cr Rebecca Aubrey for her contribution to the City of Melville.

There being no further business to discuss, his worship the Mayor declared the meeting closed at 8:00pm.