



**MINUTES  
OF THE  
ORDINARY MEETING OF THE COUNCIL  
HELD ON  
TUESDAY 20 MARCH 2018  
AT 6.30PM IN THE COUNCIL CHAMBERS  
MELVILLE CIVIC CENTRE**

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**MINUTES OF THE ORDINARY MEETING OF THE COUNCIL HELD IN THE COUNCIL CHAMBERS, MELVILLE CIVIC CENTRE, 10 ALMONDBURY ROAD, BOORAGOON, COMMENCING AT 6.30PM ON TUESDAY 20 MARCH 2018.**

**1. OFFICIAL OPENING**

The Presiding Member welcomed those in attendance to the meeting and declared the meeting open at 6:30pm. Mr J Clark, Governance and Compliance Advisor, 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**

Cr M Woodall (Deputy Mayor)  
Cr C Robartson  
Cr N Pazolli, Cr S Kepert  
Cr T Barling, Cr N Robins  
Cr J Barton; Cr G Wieland  
Cr D Macphail,  
Cr P Phelan, Cr K Wheatland

**WARD**

Bull Creek - Leeming  
Bull Creek - Leeming  
Applecross – Mount Pleasant  
Bateman – Kardinya - Murdoch  
Bicton – Attadale – Alfred Cove  
Central  
Palmyra – Melville - Willagee

**3. IN ATTENDANCE**

Mr M Tieleman  
Mr S Cope  
Ms C Young  
Mr M McCarthy  
Mr L Hitchcock

Mr J Rae  
Mr M Murphy (until 7:49pm)  
Mr Steve Wachter (until 7:15pm)  
Mr J Clark  
Ms C Newman  
Ms J Head

A/Chief Executive Officer  
Director Urban Planning  
Director Community Development  
Director Technical Services  
Executive Manager Governance and  
Legal Services  
Strategic Land and Property Executive  
Manager City Buildings  
Manager Resource Recovery and Waste  
Governance and Compliance Advisor  
Governance Coordinator  
Governance Officer

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

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

Dr S Silcox, Chief Executive Officer

**4.2 APPROVED LEAVE OF ABSENCE**

Cr K Mair, Central 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.

## **6. QUESTION TIME**

### **6.1 Questions Submitted Prior to the Meeting**

#### **6.1.1 Mr G Gear, Alfred Cove**

##### Questions to the CEO Dr Silcox

##### Response

Mr Gear has provided 18 questions directed to the Chief Executive Officer on operational matters. The questions will be referred to the Chief Executive Officer for a response, apart from those questions that have defamatory text.

##### Questions to Mayor Aubrey

##### Question 1

*Do you still believe the conclusion of the Bowls Strategy Report that the Melville Bowling Club is not sustainable?*

##### Response

The Club is not sustainable in its current format as an ongoing provider of pennant bowls in the City of Melville.

##### Question 2

*Why do you keep voting to 'note' the motions passed by ratepayers rather than having them debated and voted on in council?*

##### Response

Motions from meetings of Electors are noted by the Council to acknowledge the intent of the Electors motion.

##### Question 3

*At the last mayoral election you were quoted to say that the issue of shifting the Melville Bowling Club was "dead and buried". Why did you go back on your word to the ratepayers of Melville?*

##### Response

As explained on three previous occasions, the situation at the time of the Election was that the Bridge Club was to be co-located at Tompkins Park function facility. A better location was found for the Bridge Club at Melville Recreation Centre.

The Bowling Strategy three months later, identified the requirement for the two Bowling Clubs to be co-located for the sustainability of pennant bowls in the area north of Leach Highway.

*6.1 - Public Question Time, Mr G Gear, continued.*

Question 4

*Why did you not insist on a public tender for expressions of interest to lease a part of Tompkins Park once that decision had been made?*

Response

An unsolicited offer was received to lease part of Tompkins Park and the process required by the *Local Government Act 1995* was followed.

Question 5

*Do you agree that this may have cost the city the opportunity to seek a larger financial return for the lease?*

Response

I disagree. It is very unlikely that a larger financial return would be generated from the leased recreational area.

Question 6

*When criticism of the Bowls Strategy Report surfaced at public meetings including that it was a sham what action did you take to convince yourself that this was not the case?*

Response

The Bowling Strategy Report is not a sham report and focusses on bowls as a sport played by pennant bowlers and not as an ancillary social activity. No substantiation from Mr Gear or others has been provided to support these allegations.

Question 7

*Are you confident that the information contained in the Bowls Strategy Report is accurate, truthful and honest?*

Response

Yes.

Question 8

*Did you undertake any analysis of the Bowls Strategy Report when it was released? In particular did you ask for the annual financial statements of the bowling clubs to ascertain if they were financially sustainable?*

Response

Yes. I met with Executive Members of the committees of both bowling clubs to be assured of their support. The financial standing of the two pennant bowling clubs was analysed in the Bowling Strategy Report.

**6.1.2 City of Melville Residents and Ratepayers Association**Question 1

*We have reason to believe the City of Melville administration has screened and is still screening inbound emails and on forwarding emails from Electors and entities to others within the City such as the Mayor and the Executive Manager Governance & Legal Services, please confirm:*

- A) If all councillors are fully aware that their emails are being Screened and on-forwarded;*
- B) When the screening and on-forwarding practise was introduced, why, and who approved it;*
- C) Which Electors and entities have had active alerts and who are those emails on-forwarded to; and*
- D) Does the City apply this same practise to any of its staff?*

Response

In response to questions A), B), C) and D), these are not applicable as emails are not being screened and on forwarded.

**Amended at Ordinary Meeting of the Council held on 17 April 2018**“Amended Response

*In response to questions A and B, these are not applicable as emails are not being screened and on forwarded.*

*In response to question C, the City may decide on the basis of operational criteria that correspondence of a specified class may be managed most effectively by being collated and referred to an appropriate staff member for a response. It would be inappropriate for the City to publish the identities of correspondents to whom this management procedure may apply at any particular time.*

*The response to question D is no.”*

Question 2

*Mr XXXXX and his wife Ms XXXXX are residents of Alfred Cove, and we understand the XXXXX's are known to a number of Councillors, including Mayor Aubrey, Cr Phelan and Cr Robartson. Please confirm what relationships and/or involvement the XXXXX's have had with Councillors, the City of Melville administration, the community and/or any current or past Councillors, including but not limited to:*

- A) Participation in any committees, advisory/reference/focus/review groups or the like with the City, local government related entities, and/or community groups and clubs, what were they and what was the basis of the XXXXX's involvement;*
- B) Any representatives made to Council and the City on behalf of any community groups or themselves;*
- C) Any support Council and/or the City has provided to them directly or for a community group they are associated with, and/or*
- D) Any work undertaken or products and/or services provided by them to the City and/or community groups/initiatives, be it directly or indirectly through a third party?*

*Note – the names in the question have been redacted as it identifies private individuals.*

6.1 – *Public Question Time, City of Melville Residents and Ratepayers Association continued.*

Response

The questions relating to the residents should be directed to them to respond, should they choose.

Question 3

*We refer to the Circa 11 x 9 meter Colorbond green keeper's shed that was installed at Bert Jeffery Park Murdoch in conjunction with the City to agreeing to allow the Applecross Cricket Club to use the park, could you please confirm:*

- A) *Details the development application (DA) including the DA number, who submitted the DA and when, who approved the DA and when, what was the ground for approval (e.g. compliance with what scheme) and what conditions were included on the DA?*
- B) *Details of the Building Permit Application (BA) including BA number, who submitted the BA and when, who approved the BA and when, who was the BA issued to, what was the estimated value of the build, what were the conditions associated with the BA, which registered building surveyor signed off on the certificate of design compliance and when. When was the Notice of Completion Submitted?*
- C) *What are the terms on the agreement entered into with the Applecross Cricket Club to enable the club to use Bert Jeffery Park; including the conditions around the installation and removal of the shed?*
- D) *What products and services did the City procure for the purposes of enabling Bert Jeffery to commence using the Park (e.g. shed, turf, building services etc.); excluding anything associated with the installation of the irrigation? If anything was purchased what was it, who from and how much?*
- E) *What is the expected extra water usage at Bert Jeffery Park, and how much of that will be paid for by the Applecross Cricket Club?*

Response

Questions A) to D) are the subject of a Freedom of Information Act application that is currently being assessed. It is inappropriate to respond pending the completion of the FOI assessment.

In relation to question E), at this point there is no data on how much extra water will be used at Bert Jeffery Park for the cricket wickets. The Club will be paying for any additional water used.

**6.1.3 Mr T Taylor, Willagee**

Question 1

*Why after nearly 10 years of asking and the holding of a public meeting where more than sixty men asked to join is there still no Men's Shed in the Melville area supported or sponsored by the Council?*

Response

The City has supported the current Bicton Men's Shed with minor funding from the Community Partnership Fund and also references for successful Lotterywest funding. Neighbourhood Development Officers have also had good relationships with the Bicton Men's Shed.



### 6.1.3 Public Question Time, Mr T Taylor Continued

Council has been advised that officers will present a report to Council for the May 2018 Council meeting regarding this matter.

### 6.1.4 Mr W Green, Bull Creek

#### Question 1

*The City of Melville assisted by the Lions Club of Bull Creek held a wonderful outdoor function at John Creaney Reserve, Bull Creek on Australia Day. How long has this outstanding event been held and is it to continue in future years?*

#### Response

The Australia Day Citizenship and Community Awards Event has been held at John Creaney Park for approximately 18 years there is no plans to hold the event at any other location at this stage.

#### Question 2

*I have recently viewed the website of the Melville Residents and Ratepayers Association and noticed a table listing the Mayor and selected Elected Members suggesting they had been elected with less than 7% of the vote. Beside the names of six of the Elected Members was an asterisk indicating they are members of a "Cabal". The internet gives synonyms for cabal that include " PLOTTING, PLANNING, CONSPIRACY, COLLUSION, CONNIVING, SCHEMING, MACHINATION, TRICKERY, SHARP PRACTICE, DOUBLE DEALING, UNSCRUPULOUSNESS, UNDERHANDEDNESS, DEVIIOUSNESS, SUBTERFUGE, PLOT, SCHEME, PUSE, ARTIFICE, MANOEUVRE, DIRTY TRICKS.*

*Does the Council condone this vicious attack on its Elected Members? Does the Council also agree that the puerile and evil manner of this attack on its Elected Members is a gross insult to the ratepayers and residents of the City?*

#### Response

The Council does not support or condone any person or group attacking the Council, Elected Members or staff of the City. Any attack or name calling is not helpful to maintain the high standing of the City and its community.

#### Question 3

*I understand that over the last 2 years a large number of questions have been submitted by the Melville Ratepayers and Residents Association. Of the known members of the MRRA how many of them are actually responsible for the questions and complaints requested of the City? What has been the cost of responding to these questions and complaints?*

*6.1 – Public Question Time, Mr W Green, Bull Creek continued*

Response

For the period of Year Jun 2016 to Jul 2017, total Questions received from the known members of the CoMRRA is 199. Based on the estimated hours spent on each question and the estimated cost of Officer's time, the cost of responding to these questions is \$35,820.

Other costs in relation to CoMRRA listed below are estimated to be \$104,736 in total:-

- Correspondence registered in the City's records system (incoming and outgoing emails, letters, notes etc)
- Freedom of Information requests
- State Administrative Tribunal matters
- Witness Summons – subpoena
- Customers requests – Pathway
- Ombudsman requests
- Media Communication
- Court proceedings

Question 4

*Has the City of Melville had any indications from the Local Government Authorised Inquiry that they have found any wrong doing by the City?*

Response

This City has not received any advice of wrong doing by the City.

Question 5

*In the Melville Times Newspaper of 13, March 2018 the Local Government Minister , David Templeman refers to “the mongrel ratepayers that come in” and are “vindictive and with a vendetta”. Is the Minister referring to members of the Melville Ratepayers and Residents Association?*

Response

This question should be directed to the Minister for a response.

**6.1.5 Mr M McLerie, Booragoon**

Question 1

*On the 27 and 28 February 2018 I attended the City's offices seeking access to records the City has statutory obligations to make available to the public, however after a total of circa 3 hours of waiting and follow-up emails I still have not been provided access to the records sought; subsequently on the 7 March I asked questions of the CEO to which I have not had any response so I now ask Council to please answer the following questions;*

Response

The Chief Executive Officer has written Mr McLerie responding to his questions.

## **6.2 Questions Taken on Notice at the Ordinary Meeting of Council held 20 February 2018.**

### **6.2.1 M Sandford, Applecross**

#### Question 1

*Will the Mayor confirm that the decision to move the Melville Bowling Club was made solely in the context of the City of Melville Lawn Bowls Strategy, and the City's long-standing desire to improve income from assets, and that the Council were:*

- A) *not provided any financial analysis or report on the financial impacts of the decision from the City or any other source before the decision was made; and*
- B) *not advised that the two authors of the Bowls Strategy Report were financial investors in the Wave Park before this was made public by ratepayers?*

#### Response

The decision was made solely in the context of the City of Melville Lawn Bowls Strategy which highlighted sustainability issues for the current Lawn Bowls Clubs and made recommendations in this regard, including the proposal to merge Mt Pleasant and Melville Bowls Clubs into one new entity based at Tompkins Park.

The Bowls Strategy did not include financial analysis of any of the land occupied by the current Lawn Bowls Clubs. The Strategy Report to Council did highlight a further Report to Council which would include the cost of the proposed redevelopment of Tompkins Park.

The Lawn Bowls Strategy was endorsed by the Council prior to any unsolicited bid being made by the Wave Park Group. Mr Cahoon declared an interest with the Wave Park in 2013. Once the unsolicited bid was received Mr Cahoon relinquished his investment.

The Lawn Bowls Strategy Report was prepared by A Balanced View Leisure Consultancy Services as a single author.

### **6.2.2 City of Melville Residents and Ratepayers Association (Inc.)**

#### Question 1 (of 3)

*When did Mr Darren Monument and / or Mr Todd Cahoon declare a real or possible conflict of interest, and what was the nature of those conflicts, in relation to their dealings with the Applecross Cricket Club, be it for space at Shirley Strickland Reserve, Tompkins Park or Bert Jeffrey Park. Has anyone else, the Mayor, Councillors or City staff, declared a real or possible conflict of interest with Applecross Cricket Club?*

#### Response

In 2009 Mr Todd Cahoon declared an interest with Mr Darren Monument of A Balanced View Consultancy. Mr Monument has had no involvement or influence whatsoever with this matter of the installation of the cricket pitch and related services at the Reserve.

The City has not received other declarations of interest in this matter.

**7. AWARDS AND PRESENTATIONS**

Nil.

*At 6:58pm Cr Pazolli left the meeting and returned at 7:00pm.*

**8. CONFIRMATION OF MINUTES****8.1 ORDINARY MEETING OF THE COUNCIL – 20 FEBRUARY 2018**  
**Minutes 20 February 2018****COUNCIL RESOLUTION**

At 6:58pm Cr Robartson moved, seconded Cr Barling –

**That the Minutes of the Ordinary Meeting of the Council held on Tuesday, 20 February 2018, be confirmed as a true and accurate record.**

At 6:58pm the Mayor submitted the motion, which was declared  
**CARRIED UNANIMOUSLY (11/0)**

**8.2 NOTES OF AGENDA BRIEFING FORUM – 6 MARCH 2018**  
**Notes 6 March 2018****COUNCIL RESOLUTION**

At 6:58pm Cr Woodall moved, seconded Cr Phelan –

**That the Notes of the Agenda Briefing Forum held on Tuesday, 6 March 2018, be received.**

At 6:58pm the Mayor submitted the motion, which was declared  
**CARRIED UNANIMOUSLY (11/0)**

**8.3 GOVERNANCE COMMITTEE – 6 MARCH 2018****COUNCIL RESOLUTION**

At 6:59pm Cr Robartson moved, seconded Cr Phelan –

**That the Minutes of the Governance Committee Meeting held on Tuesday, 6 March 2018, be noted.**

**NB: Minutes to be confirmed at next meeting of the Governance Committee.**

At 6:59pm the Mayor submitted the motion, which was declared  
**CARRIED UNANIMOUSLY (11/0)**

**8.4 FINANCIAL MANAGEMENT, AUDIT, RISK AND COMPLIANCE  
COMMITTEE – 12 MARCH 2018****COUNCIL RESOLUTION**

At 6:59pm Cr Barton moved, seconded Cr Barling –

**That the Minutes of the Financial Management, Audit, Risk and Compliance Committee Meeting held on Monday, 12 March 2018, be noted.**

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

At 6:59pm the Mayor submitted the motion, which was declared  
**CARRIED UNANIMOUSLY (11/0)**

**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 7:00pm Cr Robartson, moved, seconded Cr Barling -

**That the applications for new leaves of absence submitted by Cr Wieland and Cr Macphail on 20 March 2018 be granted.**

At 7:00pm the Mayor submitted the motion which was declared  
**CARRIED (12/0)**

**12. IDENTIFICATION OF MATTERS FOR WHICH MEETING MAY BE CLOSED****P18/3777 – Confidential Item - Murdoch Health and Knowledge Precinct Strategic Property**

The matter is confidential in accordance with section 5.23 (2) (c) of the *Local Government Act 1995*, a contract entered into, or which may be entered into, by the local government and which relates to a matter to be discussed at the meeting

The Confidential Item was distributed to Elected Members on Friday, 2 March 2018 under confidential cover.

**13. PETITIONS**

Nil.

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

**14.1 REPORTS OF THE FINANCIAL MANAGEMENT, AUDIT, RISK AND COMPLIANCE COMMITTEE MEETING OF 12 MARCH 2018**

**M18/5597 – CHIEF EXECUTIVE OFFICER BIENNIAL REVIEW OF RISK MANAGEMENT, INTERNAL CONTROL AND LEGISLATIVE COMPLIANCE (REC) (ATTACHMENT)**

Ward	: All
Category	: Operational
Subject Index	: Internal Audit Report
Customer Index	: City of Melville
Disclosure of any Interest	: No Officer involved in the preparation of this report has a declarable interest in this matter.
Previous Items	: M16/5481- Chief Executive Officer Biennial Review of Risk Management, Internal Control and Legislative Compliance - FMARCC 10 May 2016
Works Programme	: Not Applicable
Funding	: Not Applicable
Responsible Officer	: Ken Wan Process Improvement Auditor

**AUTHORITY / DISCRETION**

**DEFINITION**

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

**M18/5597 – CHIEF EXECUTIVE OFFICER BIENNIAL REVIEW OF RISK MANAGEMENT,  
INTERNAL CONTROL AND LEGISLATIVE COMPLIANCE (REC) (ATTACHMENT)****KEY ISSUES / SUMMARY**

- *Regulation 17 of the Local Government (Audit) Regulations 1996* requires local government Chief Executive Officers (CEO's) to carry out at least once every two years, a review of risk management, internal control and legislative compliance and present the results of the review to the local government's audit committee. The audit committee is to consider the CEO's review and report the results of the review to the Council as required by Regulation 16 of the *Local Government (Audit) Regulations 1996*.
- A review of the City of Melville's practices and policies has been conducted and sufficient systems and procedures have been found to have been established to deal with risk management, internal control and legislative compliance.
- This report recommends that the review's findings be referred to the Council for noting.

**BACKGROUND**

On 8 February 2013, the Department of Local Government and Communities (Department) advised all local governments via their Circular No 5 regarding the amendments made to the *Local Government (Audit) Regulations 1996*.

The amendments to the *Local Government (Audit) Regulations 1996* extend the functions of local government Audit Committees to include reviewing the effectiveness of local government's systems with regard to risk management, internal control, and legislative compliance.

Specifically, the amendments require a local government's CEO to review, at least once every two years, the appropriateness and effectiveness of the local government's systems and procedures with regard to risk management, internal control and legislative compliance. A report must also be provided to the local government's Audit Committee of that review for their consideration.

The Audit Committee is to review the CEO's report and submit the results to the Council with a copy of the CEO's report.

**DETAIL**

The Chief Executive Officer requested that a review of the City's systems and procedures be undertaken. The findings of the review are presented to the Financial Management, Audit, Risk, and Compliance Committee (FMARCC) in compliance with the legislative requirements. [5597 CEO Biennial Review Report attachments 1 and 2](#)



**M18/5597 – CHIEF EXECUTIVE OFFICER BIENNIAL REVIEW OF RISK MANAGEMENT, INTERNAL CONTROL AND LEGISLATIVE COMPLIANCE (REC) (ATTACHMENT)**

Below is an extract from the Department's revised Operational Guidelines No 9 re Audit in Local Government (issued in December 2013) giving guidance as to what items to review in the three areas of risk management, internal control and legislative compliance:

*“Issues that should be considered for inclusion in the CEO’s Review of Risk Management, Internal Control and Legislative Compliance are:*

***Risk Management***

*Internal control and risk management systems and programs are a key expression of a local government’s attitude to effective controls. Good audit committee practices in monitoring internal control and risk management programs typically include:*

- *Reviewing whether the local government has an effective risk management system and that material operating risks to the local government are appropriately considered.*
  - *Reviewing whether the local government has a current and effective business continuity plan (including disaster recovery) which is tested from time to time.*
  - *Assessing the internal processes for determining and managing material operating risks in accordance with the local government’s identified tolerance for risk, particularly in the following areas:*
    - *potential non-compliance with legislation, regulations and standards and local government’s policies*
    - *important accounting judgments or estimates that prove to be wrong*
    - *litigation and claims*
    - *misconduct, fraud and theft*
    - *significant business risks, recognizing responsibility for general or specific risk areas, for example, environmental risk, occupational health and safety, and how they are managed by the local government.*
  - *Obtaining regular risk reports, which identify key risks, the status and the effectiveness of the risk management systems, to ensure that identified risks are monitored and new risks are identified, mitigated and reported.*
- Assessing the adequacy of local government processes to manage insurable risks and ensure the adequacy of insurance cover, and if applicable, the level of self-insurance.*
- *Reviewing the effectiveness of the local government’s internal control system with management and the internal and external auditors.*
  - *Assessing whether management has controls in place for unusual types of transactions and/or any potential transactions that might carry more than an acceptable degree of risk.*
  - *Assessing the local government’s procurement framework with a focus on the probity and transparency of policies and procedures/processes and whether these are being applied.*
  - *Should the need arise, meeting periodically with key management, internal and external auditors, and compliance staff, to understand and discuss any changes in the local government’s control environment.*
  - *Ascertaining whether fraud and misconduct risks have been identified, analysed, evaluated, have an appropriate treatment plan which has been implemented, communicated, monitored and there is regular reporting and ongoing management of fraud and misconduct risks.*

**M18/5597 – CHIEF EXECUTIVE OFFICER BIENNIAL REVIEW OF RISK MANAGEMENT,  
INTERNAL CONTROL AND LEGISLATIVE COMPLIANCE (REC) (ATTACHMENT)*****Internal Control***

*Internal control is a key component of a sound governance framework, in addition to leadership, long-term planning, compliance, resource allocation, accountability and transparency. Strategies to maintain sound internal controls are based on risk analysis of the internal operations of a local government.*

*An effective and transparent internal control environment is built on the following key areas:*

- *integrity and ethics.*
- *policies and delegated authority.*
- *levels of responsibilities and authorities.*
- *audit practices.*
- *information system access and security.*
- *management operating style.*
- *human resource management and practices.*

*Internal control systems involve policies and procedures that safeguard assets, ensure accurate and reliable financial reporting, promote compliance with legislation and achieve effective and efficient operations and may vary depending on the size and nature of the local government.*

*Aspects of an effective control framework will include:*

- *delegation of authority.*
- *documented policies and procedures.*
- *trained and qualified employees.*
- *system controls.*
- *effective policy and process review.*
- *regular internal audits.*
- *documentation of risk identification and assessment.*
- *regular liaison with auditor and legal advisors.*

*The following are examples of controls that are typically reviewed:*

- *separation of roles and functions, processing and authorization;*
- *control of approval of documents, letters and financial records;*
- *comparison of internal data with other or external sources of information;*
- *limit of direct physical access to assets and records;*
- *control of computer applications and information system standards;*
- *limit access to make changes in data files and systems;*
- *regular maintenance and review of financial control accounts and trial balances;*
- *comparison and analysis of financial results with budgeted amounts;*
- *the arithmetical accuracy and content of records;*
- *report, review and approval of financial payments and reconciliations;*
- *comparison of the result of physical cash and inventory counts with accounting records.*

***Legislative Compliance***

*The compliance programs of a local government are a strong indication of attitude towards meeting legislative requirements. Audit committee practices in regard to monitoring compliance programs typically include:*

*Monitoring compliance with legislation and regulations.*

- *Reviewing the annual Compliance Audit Return and reporting to Council the results of that review.*

**M18/5597 – CHIEF EXECUTIVE OFFICER BIENNIAL REVIEW OF RISK MANAGEMENT,  
INTERNAL CONTROL AND LEGISLATIVE COMPLIANCE (REC) (ATTACHMENT)**

- *Staying informed about how management is monitoring the effectiveness of its compliance and making recommendations for change as necessary.*
- *Reviewing whether the local government has procedures for it to receive, retain and treat complaints, including confidential and anonymous employee complaints.*
- *Obtaining assurance that adverse trends are identified and review management's plans to deal with these.*
- *Reviewing management disclosures in financial reports of the effect of significant compliance issues.*
- *Reviewing whether the internal and / or external auditors have regard to compliance and ethics risks in the development of their audit plan and in the conduct of audit projects, and report compliance and ethics issues to the audit committee.*
- *Considering the internal auditor's role in assessing compliance and ethics risks in their plan.*
- *Monitoring the local government's compliance frameworks dealing with relevant external legislation and regulatory requirements.*
- *Complying with legislative and regulatory requirements imposed on audit committee members, including not misusing their position to gain an advantage for themselves or another or to cause detriment to the local government and disclosing conflicts of interest."*

This review has considered all issues raised in the Department of Local Government and Community's Operational Guideline No 9.

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

No external consultation has been carried out.

**II OTHER AGENCIES / CONSULTANTS**

No external consultation with other agencies has been carried out.

**STATUTORY AND LEGAL IMPLICATIONS**

Regulation 16 (C) of the *Local Government (Audit) Regulations 1996* requires an audit committee to "review a report given to it by the CEO under Regulation 17(3) and is to (i) report to the Council the result of that review, and (ii) give a copy of that report to the Council."

Regulation 17 (1) of the *Local Government (Audit) Regulations 1996* requires the CEO to "review the appropriateness and effectiveness of a local government's systems and procedures in relation to —  
(a) risk management; and  
(b) internal control; and  
(c) legislative compliance."

**M18/5597 – CHIEF EXECUTIVE OFFICER BIENNIAL REVIEW OF RISK MANAGEMENT, INTERNAL CONTROL AND LEGISLATIVE COMPLIANCE (REC) (ATTACHMENT)**

Regulation 17(2) of the *Local Government (Audit) Regulations 1996* states “the review may relate to any or all of the matters referred to in sub-regulation (1)(a), (b) and (c), but each of those matters is to be the subject of a review at least once every two calendar years.”

Regulation 17(3) requires “the CEO is to report to the audit committee the results of that review.”

**FINANCIAL IMPLICATIONS**

There are no financial implications associated with this report.

**STRATEGIC, RISK AND ENVIRONMENTAL MANAGEMENT IMPLICATIONS**

<b>Risk Statement</b>	<b>Level of Risk</b>	<b>Risk Mitigation Strategy</b>
Risk of non-compliance with legislation.	Initial Risk – <b>High</b>  Residual Risk (after risk mitigation strategy) – <b>Medium</b>	Ongoing development of officer's knowledge of legislative requirements mitigates the potential for a non-compliance event occurring.

There are no environmental management implications associated with this report.

**POLICY IMPLICATIONS**

There are no direct policy implications associated with this report.

**ALTERNATE OPTIONS AND THEIR IMPLICATIONS**

The requirement of legislation does not provide for alternatives to the provisions of the legislation but requires full compliance.

**CONCLUSION**

The City's Process Improvement Auditor has reviewed the City's practices and policies relating to risk management, internal control, and legislative compliance. The results of findings are that the City has sufficient systems and procedures in place to deal with all requirements in the Operational Guideline No 9, and that they are regularly reviewed for continuous improvement.

**M18/5597 – CHIEF EXECUTIVE OFFICER BIENNIAL REVIEW OF RISK MANAGEMENT,  
INTERNAL CONTROL AND LEGISLATIVE COMPLIANCE (REC) (ATTACHMENT)****OFFICER RECOMMENDATION AND COMMITTEE RESOLUTION (5597)                      REVIEW**

At 7.21pm Cr Barling moved, seconded Cr Woodall –

**That the Financial Management, Audit, Risk and Compliance Committee:**

1.     **Reviews the Chief Executive Officer’s Report, CEO Biennial Review Report attachments 1 and 2**
2.     **Reports to the Council the results of that review.**
3.     **Provides a copy of the Chief Executive Officer’s Report to the Council for noting.**

At 7.47pm the Presiding Member submitted the motion, which was declared  
**CARRIED UNANIMOUSLY (8/0)**

**COMMITTEE RECOMMENDATION AND COUNCIL RESOLUTION (5597)  
RECEIVE AND NOTE**

**That the Council receives and notes the Chief Executive Officer’s Biennial Review of Risk Management, Internal Control and Legislative Compliance Report.**

At 7:14pm the Mayor submitted the motion, which was declared  
**CARRIED EN BLOC (12/0)**

**M18/5603 - COMPLIANCE AUDIT RETURN 2017 (REC) (ATTACHMENT)**

Ward	: All
Category	: Operational
Subject Index	: Audits – Compliance
Customer Index	: Department of Local Government
Disclosure of any Interest	: No Officer involved in the preparation of this report has a declarable interest in this matter.
Previous Items	: Item M17/5531 - Compliance Audit Return 2016 - Ordinary Meeting of Council 21 March 2017
Works Programme	: Not Applicable
Funding	: Not Applicable
Responsible Officer	: Jeff Clark Governance and Compliance Advisor

**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 checked="" type="checkbox"/>	<b>Review</b>	<b><i>When the Council operates as a review authority on decisions made by Officers for appeal purposes.</i></b>
<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 Committee/Council to note.</i>

**M18/5603 - COMPLIANCE AUDIT RETURN 2017 (REC) (ATTACHMENT)****KEY ISSUES / SUMMARY**

- All Western Australian Local Authorities are required to undertake a Compliance Audit Return (the Return) and submit their findings to the Department of Local Government, Sport and Cultural Industries (the Department) by 31 March each year.
- 93 of 94 questions received a positive response by Officers confirming the actions were completed and that 98.94% compliance was achieved.
- It is recommended that the Compliance Audit Return 2017 be adopted by the Council.

**BACKGROUND**

A Compliance Audit Return was conducted covering the period 1 January 2017 to 31 December 2017. The completed Compliance Audit Return forms part of the Attachments to the Agenda [5603 Compliance Audit Return 2017](#).

It is a requirement that the Compliance Audit Return is presented to the Council for adoption. A copy of the Council report and a certified copy of the return are required to be endorsed by the Mayor and Chief Executive Officer and submitted to the Department of Local Government, Sport and Cultural Industries by 31 March 2018.

**DETAIL**

The City has achieved another impressive compliance outcome for 2017. The Officers of the City perform extremely well against the requirements of 476 Acts, Regulations and legislative requirements that determine the work practices and responsibilities of the City. However the Compliance Audit Return only assesses compliance against the *Local Government Act 1995* and associated Regulations. The responses of Officers to the 94 audit questions have been audited by the Process Improvement Auditor who has included a comment in this report.

There has been an increase in the number of questions assessed in 2017 compared to 2016. Seven additional questions seeking input into Integrated Planning and Reporting have also been added for the first time.

This year's audit has in the opinion of Officers provided 98.94% compliance. Of the 94 fields of compliance that have been tested, 93 received a positive response. The sole non-compliance related to the late lodgement of a Primary Return by a newly Elected Member (Disclosure of Interest, question 4) that was not within three months of their start day.

The 2017 Compliance Audit Return continues in a reduced format with the Department only testing those areas considered to be high risk in this Return, the questions relate to regulation 13 of the *Local Government (Audit) Regulations 1996*, Regulation 14 of the *Local Government (Audit) Regulations 1996* and requires each local government's Audit Committee to review the Return and report the results of that review to the Council. The City has taken this approach for some years.

**M18/5603 - COMPLIANCE AUDIT RETURN 2017 (REC) (ATTACHMENT)**

The *Local Government (Audit) Amendment Regulations 2013* extends the current role of local government Audit Committees to encompass a review of areas such as risk management, internal control and legislative compliance.

The transfer of responsibilities to local government Audit Committees enables local governments to manage legislative compliance within their own timeframes, with increased transparency and involvement from Elected Members

The Return has been compiled with continued substantial rigour beyond that experienced in most Local Governments. Officers have been expected to demonstrate compliance and provide detail of their work to ensure the work procedures of the City assist to meet obligations of the Act and Regulations.

It is pleasing to note that there is an ongoing increase in Officers' knowledge of compliance matters and where possible, systems have been amended to assist with compliance requirements.

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

The City's Compliance Calendar was introduced in 2008 and this is a major improvement to assist management of all compliance matters and is considered to be best practice in the local government industry. The Calendar is updated monthly which enables a management response should a matter require attention.

The monthly reports generated from the Calendar are reviewed by the Executive Management Team.

**The Process Improvement Auditor's comments**

The Compliance Audit Return for 2017 has 94 questions, and answers to all questions were checked for correctness.

All answers, as presented, are accurate and it is pleasing to note such a high compliance rate. Legislative compliance has always been a commitment of the City and this commitment is reflected in the almost perfect result.

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

No external consultation has been carried out.

**II. OTHER AGENCIES / CONSULTANTS**

No external consultation with other agencies has been carried out.



**M18/5603 - COMPLIANCE AUDIT RETURN 2017 (REC) (ATTACHMENT)**

**STATUTORY AND LEGAL IMPLICATIONS**

As per the requirements of the *Local Government Act 1995*, Section 7.13(1) (i) and *Local Government (Audit) Regulations 1996* (Regulations 13–15).

**FINANCIAL IMPLICATIONS**

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

**STRATEGIC, RISK AND ENVIRONMENTAL MANAGEMENT IMPLICATIONS**

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

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

**POLICY IMPLICATIONS**

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

**ALTERNATE OPTIONS AND THEIR IMPLICATIONS**

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

**CONCLUSION**

The City is compliant in 98.94% of the 94 questions that have been examined for their accurate statutory completion.

**M18/5603 - COMPLIANCE AUDIT RETURN 2017 (REC) (ATTACHMENT)****OFFICER RECOMMENDATION AND COMMITTEE RESOLUTION (5603)      APPROVAL**

At 7.59pm Cr Pazolli moved, seconded Cr Barton –

**That the Financial Management, Audit, Risk and Compliance Committee recommends to the Council that the Compliance Audit Return for the period 1 January 2017 to 31 December 2017 5603 Compliance Audit Return 2017 be adopted and following certification by His Worship the Mayor and the Chief Executive Officer, be forwarded to the Department of Local Government, Sport and Cultural Industries.**

At 8.00pm the Presiding Member submitted the motion, which was declared  
**CARRIED UNANIMOUSLY (8/0)**

**COMMITTEE RECOMMENDATION AND COUNCIL RESOLUTION (5603)      APPROVAL**

**That the Council adopts the Compliance Audit Return 2017 and after certification by His Worship the Mayor and the Chief Executive Officer, directs that the Return be forwarded to the Department of Local Government, Sport and Cultural Industries.**

At 7:14pm the Mayor submitted the motion, which was declared  
**CARRIED EN BLOC (12/0)**

**P18/3757 - FINAL ADOPTION OF LOCAL HOUSING STRATEGY (REC) (ATTACHMENT)**

Ward	: All
Category	: Strategic
Application Number	: Not Applicable
Property	: Not Applicable
Proposal	: Adoption of Local Housing Strategy
Applicant	: City of Melville
Owner	: Not Applicable
Disclosure of any Interest	: An officer involved in the preparation of this report is a resident of the City of Melville
Previous Items	: Not Applicable
Responsible Officer	: Gavin Ponton Manager Strategic Urban Planning

**AUTHORITY / DISCRETION**

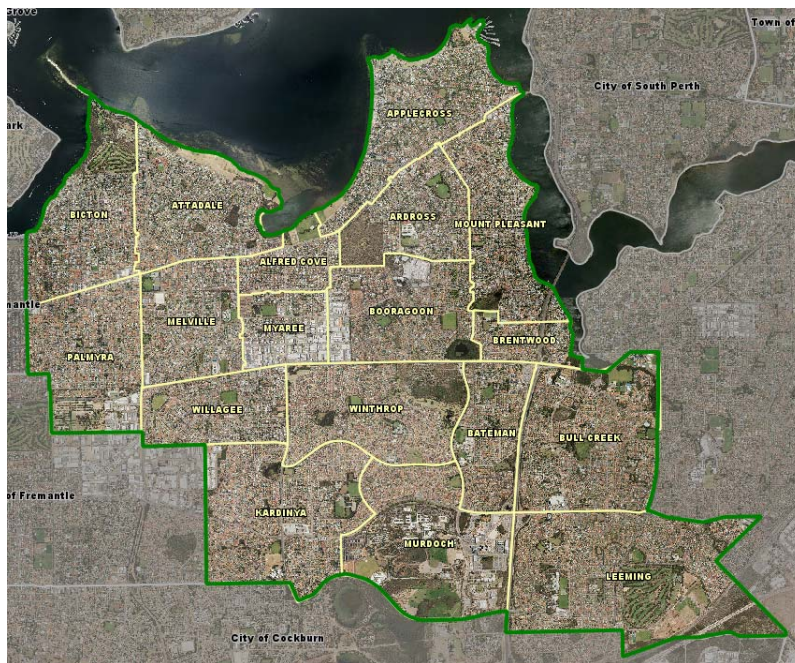
**DEFINITION**

<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"/>	<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>

**P18/3757 - FINAL ADOPTION OF LOCAL HOUSING STRATEGY (REC) (ATTACHMENT)**

**KEY ISSUES / SUMMARY**

- The City's draft Local Housing Strategy closely aligns with State strategic urban planning guiding documents and with the City's Local Planning Strategy and Local Planning Scheme 6
- *State Planning Strategy 2050* (WAPC 2014) emphasises that local government must provide for greater housing diversity in planning for affordable living and community health/wellbeing.
- Substantial progress towards the above has been made with the gazettal of Local Planning Strategy No 6 (LPS6) and endorsement of the *Local Planning Strategy* by the Western Australian Planning Commission (WAPC) on 27 May 2016.
- The City's draft Local Housing Strategy studies the City's housing situation in more detail and has involved considerable research and community consultation.
- From September to October 2016 the community was consulted on its perceived housing requirements via the Housing Needs Survey, which attracted 3,602 responses. Public and internal workshops were held.
- Public advertising of the Draft Local Housing Strategy occurred for four weeks from November to December 2017. The submissions received on the draft LHS indicate that the public is very supportive of the strategic approach to housing within the draft LHS.
- The Council is requested to consider and finally adopt the Local Housing Strategy.



**BACKGROUND**

The City's local planning framework aligns with the content of key State planning strategic urban planning documents including Directions 2031 and Beyond, the Central Sub Region

**P18/3757 - FINAL ADOPTION OF LOCAL HOUSING STRATEGY (REC) (ATTACHMENT)**

Strategy, State Planning Policy 4.2 – Activity Centres for Perth and Peel (SPP 4.2) and the Draft Perth and Peel @ 3.5 Million.

SPP 4.2 contains an Activity Centre Hierarchy setting out the classification of all activity centres down to the level of District Centres.

Table 3 of SPP 4.2 contains residential density targets per gross hectare.

Every metropolitan local government has housing targets set by the State Government planning framework to accommodate future population growth. The City of Melville is in Perth's Central region and has prescribed housing targets of 11,000 new dwellings by 2031 and 18,500 new dwellings by 2050.

The City's Strategic Community Plan, prepared collaboratively with the community, sets out the community vision and aspirations for the future and includes six key aspirations:

- Clean and Green
- Sustainable and Connected Transport
- Growth and Prosperity
- Sense of Community
- Healthy Lifestyles
- Safe and Secure

The City's Corporate Business Plan, the Council's response to the community aspirations in the Strategic Community Plan includes Priority 3: Urban development creates changes in amenity (positive and negative) which are not well understood

Under Priority 3 key strategies are:

1. Facilitate higher density development in strategic locations, consistent with the local planning framework and structure plans ...and ensure measured change in established areas and consideration of parking and traffic issues
2. Enhance amenity and vibrancy and enhancing community safety through streetscapes, public art, pedestrian and cycle paths, place making and creating well-designed, attractive public spaces.

The City's Local Planning Strategy, which was prepared in collaboration with and aligns with community feedback, includes the following broad strategies :

- Focus growth in activity centres and transport corridors
- Protect suburban residential areas from significant changes
- Accommodate a range of housing types
- Protect industrial and commercial areas from encroachment
- Support public transport and maintain an efficient road network

Activity Centres within the City of Melville are therefore:

- The focus for increased densities and a greater mix of suitable land uses
- Access to transport, jobs, services
- Opportunity for vibrancy

**P18/3757 - FINAL ADOPTION OF LOCAL HOUSING STRATEGY (REC) (ATTACHMENT)**

*State Planning Strategy 2050* (WAPC 2014) emphasises that all levels of government must provide for greater housing diversity in planning for affordable living and community health/wellbeing.

In several places the *Local Planning Manual* (WAPC 2010) specifies the need for local governments to plan for housing and population in detail. The manual also notes that one of the primary purposes of a planning scheme is to “support housing choice and variety, in neighbourhoods with a community identity and high levels of amenity”. This objective is commonly achieved via a local housing strategy.

Section 9.3.1 of the *2015 R-Codes Explanatory Guidelines* refers to local housing strategies as being incorporated into local planning strategies, which then inform local planning schemes.

The *Local Housing Strategy* (LHS) supports the vision set out in the City’s *Local Planning Strategy*, which was approved by the Western Australian Planning Commission in May 2016. The strategy is also, in part, a response to the state government policies *Directions 2031 and Beyond* and *Towards Perth and Peel @3.5 Million*, which have set for the City of Melville infill targets of 11,000 new dwellings by 2031 and 18,000 new dwellings by 2050.

In accordance with the above, the LHS is intended to be a high-level strategic document rather than an operational plan.

**Scheme Provisions**

MRS Zoning	: Urban
LPS Zoning	: Various, but mostly Residential
R-Code	: Various
Use Type	: Various
Use Class	: Various

**Site Details**

Lot Area	: N/A
Street Tree(s)	: N/A
Street Furniture (drainage pits etc)	: N/A
Site Details	: N/A

**DETAIL**

The LHS considers whether the supply of housing meets the needs of the community now and into the future. Informed by a comprehensive survey of 3,602 residents, the strategy also comprises demographic study and analysis of the City’s main housing issues, which are:

- a lack of housing diversity
- relatively unaffordable housing
- a lack of housing suitable for seniors

**P18/3757 - FINAL ADOPTION OF LOCAL HOUSING STRATEGY (REC) (ATTACHMENT)**

The strategy concludes with high-level recommendations on how to address the above issues.

As an established inner-ring municipality, the City of Melville offers no greenfield development opportunities. Most new housing will be provided through infill redevelopment of existing residential and mixed-use sites close to activity centres, transport corridors and transport nodes. These are ideal locations for smaller dwellings such as apartments and townhouses. Housing in these locations typically leads to a reduction in private transport costs and increased interest in living, working and shopping locally.

Research shows that the current trends of smaller household sizes and an ageing population are creating an urgent need for more small dwellings. The LHS provides the Council with a rationale for determining which housing types should be encouraged, and the preferred locations

Consultation reveals a clear preference for leaving low-density suburban areas relatively unchanged. Within these areas, single, detached dwellings built in the suburban vernacular will continue to be the principal housing type.

There are nine activity centres of at least district centre size in the City of Melville. Of these, the Canning Bridge Activity Centre, Melville City Centre and Murdoch Specialised Activity will play particularly important roles in providing for more apartments while preserving suburban amenity.

Following gazettal of *Local Planning Scheme 6* (LPS6) on 27 May 2016, the City's planning scheme is now aligned with the *Local Planning Strategy*. The LPS6 anticipated many of the density-related suggestions that have followed in the LHS. As such, the LHS essentially confirms the current planning strategy.

The LHS recognises that housing diversity will increase gradually. In time, there will be a wide range of housing available for residents at all stages of their lives. Elderly people and first-home buyers in particular should be able to find suitable housing in their preferred areas. It is also recognised that good quality infill development will have a positive impact on streetscapes and residential amenity.

The LHS has a planning horizon of around 10 to 15 years. At least one review of the LHS will be conducted during this period.

[3757 Local Housing Strategy 2018](#)

[3757 Appendix 1 a Suburb Profiles North West Neighbourhood](#)

[3757 Appendix 1 b Suburb Profiles North East Neighbourhood](#)

[3757 Appendix 1 c Suburb Profiles South West Neighbourhood](#)

[3757 Appendix 1 d Suburb Profiles South East Neighbourhood](#)

[3757 Appendix 2 Housing Survey Results Summary](#)

**P18/3757 - FINAL ADOPTION OF LOCAL HOUSING STRATEGY (REC) (ATTACHMENT)**

**STAKEHOLDER ENGAGEMENT**

**I. COMMUNITY**

Considerable community consultation has been undertaken.

In September and October 2016 a comprehensive survey of local housing issues was completed by 3,602 residents. Survey invitations were sent to all households in the City, which ensured a good proportion of renters among respondents.

Generally, it is recommended that surveys aim to reduce sampling error (or confidence interval) to +/- 5% at the 95% confidence level. For a population of 106,000 the required sample size is 384, which would be rounded up to 400 people. Note that 400 people is a common sample size in government surveys.

The 3,602 responses to the Housing Needs Survey far exceed the recommended minimum. A confidence level of 99% with a confidence interval of +/- 2.11% (Creative Research Systems 2016), suggests that the data presents a very precise representation of the general population.

Data was analysed with Minitab data analysis software and discussed at length with qualified officers. A summary of the survey results may be found in the Local Housing Strategy.

The *Draft Local Housing Strategy* was advertised for 28 days. A total of 86 submissions were received. Major themes from the submissions are summarised below.

<b>Theme</b>	<b>Frequency of mention</b>
City should increase housing density	30
City needs more affordable housing	24
City needs more housing options	23
City should ensure investment in infrastructure matches increased housing densities	13
Concerns with high rise apartments	12
City should preserve quiet residential amenity	12
City should improve parking and traffic management	9
City should increase support for those ageing-in-place/downsizing	4
City should encourage Universal Design	3
Concerns with social housing	3
City should protect greenery	3
City should intervene directly in housing market to improve affordability	1

The results clearly confirm support for the direction of the LHS, which outlines the need for new dwellings to be concentrated around activity centres, transport corridors and transport nodes, leaving suburban areas relatively unchanged. Only small changes by way of minor text edits were required following this recent round of consultation.



**P18/3757 - FINAL ADOPTION OF LOCAL HOUSING STRATEGY (REC) (ATTACHMENT)**

**II. OTHER AGENCIES / CONSULTANTS**

Required: No  
Reason: Document is high-level strategy

**STATUTORY AND LEGAL IMPLICATIONS**

There are no statutory or legal implications associated with the adoption of the *Local Housing Strategy*. The document is designed to inform the *Local Planning Strategy* and *Local Planning Scheme*, and will have the status of a significant strategic urban planning document of the City.

**FINANCIAL IMPLICATIONS**

There are no financial implications associated with the adoption of the *Local Housing Strategy*.

**STRATEGIC, RISK AND ENVIRONMENTAL MANAGEMENT IMPLICATIONS**

<b>Risk Statement</b>	<b>Level of Risk</b>	<b>Risk Mitigation Strategy</b>
A Local Planning Strategy and Scheme that do not acknowledge housing needs of local residents	Moderate consequences which are Unlikely, resulting in a <b>Medium</b> level of risk	Ensure adoption of <i>Local Housing Strategy</i>

**POLICY IMPLICATIONS**

There are no policy implications associated with the adoption of the LHS. The strategy will inform Scheme Amendments, activity centre plans, Local Development Plans and the next Scheme review.

**COMMENT**

There is a clear need for more small dwellings (of 1-3 bedrooms) in the City of Melville. An increase in the number of small dwellings in carefully chosen locations will ease the problems of unaffordable housing, which are especially felt by first homebuyers and seniors on fixed incomes.

Research suggests that the strategy of concentrating new housing development around transport infrastructure and activity centres will be effective. This strategy would also preserve the City's quiet suburban amenity. The Housing Needs Survey and public feedback on the draft clearly support this approach.

Following widespread support from the community, the LHS has not been significantly modified.

**P18/3757 - FINAL ADOPTION OF LOCAL HOUSING STRATEGY (REC) (ATTACHMENT)**

Community support confirms that the City's approach to strategic urban planning is sound. The Local Housing Strategy fully aligns with the recently adopted Local Planning Strategy and LPS6, plus other important policies such as Directions 2031, Perth and Peel@3.5 million, State Planning Policy 4.2 Activity Centres for Perth and Peel, and the Perth Transport Plan. All these documents stress the importance of preserving suburban amenity while increasing housing density around centres and transport.

**ALTERNATE OPTIONS AND THEIR IMPLICATIONS**

The Council could elect not to proceed with the LHS. Doing so may make it more difficult for the City to plan for the housing needs of residents.

**CONCLUSION**

The City's Local Housing Strategy closely aligns with the State strategic urban planning guiding documents, with the City's Local Planning Strategy and Local Planning Scheme 6 and reflects best practice. The strategy is also consistent with the community's preference for preserving suburban amenity while allowing for an increase in the range of housing options.

**OFFICER RECOMMENDATION AND COUNCIL RESOLUTION (3757)                      APPROVAL**

At 7:03pm Cr Robins moved, seconded Cr Macphail –

**That the Council:**

- 1. Notes that the desired housing outcomes presented in the Local Housing Strategy are consistent with the City's urban planning framework as presented in the current Local Planning Strategy and Local Planning Scheme No. 6.**
- 2. Adopts the Local Housing Strategy.**
- 3. Notes that the Local Housing Strategy will inform the next review of the Local Planning Strategy and Local Planning Scheme.**
- 4. Directs the Chief Executive Officer to forward a copy of the adopted Local Housing Strategy to the Western Australian Planning Commission.**

At 7:13pm the Mayor submitted the motion, which was declared

**CARRIED UNANIMOUSLY (12/0)**

**T18/3778 – SOUTHERN METROPOLITAN REGIONAL COUNCIL AMENDED BUSINESS PLAN (REC) (ATTACHMENT)**

Ward : All  
 Category : Strategic  
 Subject Index : Waste  
 Customer Index : Southern Metropolitan Regional Council - SMRC  
 Disclosure of any Interest : No Officer involved in the preparation of this report has a declarable interest in this matter.  
 Previous Items : T15/3668 – City of Cockburn’s Request to amend the Project Participants Agreement for the Regional Resource Recovery Centre.  
 Works Programme : Not Applicable  
 Funding : Not Applicable  
 Responsible Officer : Steve Wachter  
 Manager Resource Recovery & Waste

**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>

**T18/3778 – SOUTHERN METROPOLITAN REGIONAL COUNCIL AMENDED BUSINESS PLAN (REC) (ATTACHMENT)****KEY ISSUES / SUMMARY**

- The Southern Metropolitan Regional Council (SMRC) has prepared an Amended Business Plan for the Regional Resource Recovery Project (RRRC).
- This was required under the Project Participants Agreement (PPA) following the withdrawal of the City of Cockburn as a member to the Agreement.
- This report recommends the Council considers endorsing the Amended Business Plan
- The report also acknowledges assumptions used in the Amended Business Plan and the future rollout of the three bin arrangement, incorporating Food Organics and Garden Organics (FOFO) collection and processing as the most sustainable and cost effective waste management system for the City of Melville.

**BACKGROUND**

The City of Cockburn announced its intention to withdraw from the Regional Resource Recovery Centre project operated by the SMRC with an effective date of 30 June 2017. This triggered a requirement under Clause 2.8(1) of the RRRC Project Participant Agreement to prepare an Amended Business Plan for the project having regard to the effect of the withdrawal on the City of Cockburn.

The Deed of Variation of the Project Participant's Agreement also requires the SMRC to determine the proportional entitlement of the surplus funds or liability of the withdrawing participant which would be payable if the Regional Local Government was wound up, but disregarding any borrowings or assets acquired from borrowed funds.

In December 2016, RSM Australia in association with MRA Consulting and JDSi Consulting Engineers were awarded the contract to amend the SMRC's current business plan and consider the notional winding up by the SMRC.

The Amended Business Plan was circulated to the SMRC member council officers for feedback. The City's feedback has been incorporated into the Amended Business Plan in the form of an Addendum. The SMRC is requesting that the remaining RRRC project participants endorse the Amended Business Plan by Council Resolution. The City of Fremantle endorsed the Amended Business Plan at its meeting of 24 January 2018.

**DETAIL**

The Amended Business Plan addresses the effect of the withdrawal of the City of Cockburn and details the changes to the annual contributions payable by the Project Participants after the withdrawal takes effect. The Amended Business Plan also provides an estimate of the proportional liability of the City of Cockburn based on a notional winding up of the RRRC project effective June 30 2017.

**T18/3778 – SOUTHERN METROPOLITAN REGIONAL COUNCIL AMENDED BUSINESS PLAN (REC) (ATTACHMENT)**

The City of Melville did not support the withdrawal of the City of Cockburn; however the PPA sets out the terms under which a participating Council can withdraw from the agreement and the City of Cockburn has complied with these terms. It should be noted however that the City of Cockburn still remains as a member of the SMRC under the Establishment Agreement.

The Amended Business Plan also considers industry developments and other business factors impacting the future direction of the SMRC. Specifically, the recommendations of the 2016 SMRC Strategic Waste Management Plan in relation to Food and Garden Organics (FOGO) and the future implementation of a Container Deposit Scheme (CDS) in Western Australia have been incorporated into the Amended Business Plan.

The Amended Business Plan was prepared prior to China's decision to reduce imports of waste recycling materials from other countries as part of its Green Sword initiative and therefore does not incorporate potential costs associated with sourcing alternative markets.

The Amended Business Plan provides financial models for three main scenarios;

1. Business as usual - this scenario would see significant operating losses as a result of the withdrawal of Cockburn until the end of the PPA on 30 June 2023. Whilst Cockburn has agreed to dispose of its Municipal Solid Waste to the RRRC facility until June 2020, the business model indicates that operating deficits would result after this time if no other aspect of change occurred.
2. Container Deposit Scheme – this scenario considers the introduction of CDS by July 2019. Under this model, the project would generate additional revenue of approximately \$1 million per year based on the assumptions of the Plan. This change would reduce operating losses, however losses would still likely occur post 2020.
3. CDS and FOGO implementation – in addition to the impact of CDS implementation, this scenario considers the introduction of a three bin FOGO system by the remaining members by 1 July 2020 in accordance with the SMRC's Strategic Waste Management Plan. Under this scenario, the Waste Composting Facility (WCF) has ceased operation and the existing sheds leased out to generate income. This scenario assumes the complete transition of the WCF to a Pre-Sort and Transfer Station for FOGO processing from 1 July 2020. Financial modelling for this scenario predicts an operating surplus and a reduced gate fee of \$150 per tonne for FOGO waste.

The amended Plan demonstrates that CDS combined with FOGO implementation is the only financially viable scenario and the preferred option for operation of the RRRC moving forward. This also presents the most cost effective and environmentally sustainable option in terms of the waste hierarchy principles.

The Amended Business Plan incorporates additions requested by the City of Melville, including the addition of financial outcomes associated with the impact of a 12 month delay on the implementation of the CDS and FOGO scenario.

The current PPA has an end date of 30 June 2023.

There are further considerations as to how the remaining members manage waste disposal operations beyond 30 June 2020, which is the date that the City of Cockburn ceases to deliver municipal solid waste to the RRRC.

**T18/3778 – SOUTHERN METROPOLITAN REGIONAL COUNCIL AMENDED BUSINESS PLAN (REC) (ATTACHMENT)**

Further investigations are required in this regard following the City of Cockburn's withdrawal and the financial settlement achieved taking into account the notional windup.

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

There has not been any consultation with the Community in relation to this report.

**II. OTHER AGENCIES / CONSULTANTS**

There has been discussion with relevant officers of member Councils regarding the Amended Business Plan. The City of Melville has provided feedback to the SMRC on the Amended Business Plan and this information has been incorporated by RSM Australia in the plan presented to Council (refer to Addendum).

**STATUTORY AND LEGAL IMPLICATIONS**

There is a statutory and legal obligation to abide by the terms of the Establishment Agreement of the Southern Metropolitan Regional Council and the Project Participants' Agreement for the Regional Resource Recover Centre Project.

The Project Participants' Agreement for the Regional Resource Recovery Centre Project states at clause 2.8:

*"2.8 Withdrawal from Project*

- (1) As soon as practicable after a project participant has given notice of its intention to withdraw from the Project under clause 8.10 of the Establishment Agreement, the Project Participant shall request the Regional Local Government to:
  - (a) prepare an amended business plan for the project having regard to the effect of the withdrawal of the Project Participant giving the notice:*
  - (b) provide a copy of the amended business plan to the Project Participants; and*
  - (c) include in the business plan any details of any changes to the annual contributions payable by the Project Participants after withdrawal takes effect."**

The Establishment Agreement of the SMRC at Clause 8.10 and 8.11 outlines the requirements for any Project Participant who wishes to withdraw from a Project.

**T18/3778 – SOUTHERN METROPOLITAN REGIONAL COUNCIL AMENDED BUSINESS PLAN (REC) (ATTACHMENT)****FINANCIAL IMPLICATIONS**

The Amended Business Plan considers the effect on member contributions from the withdrawal by the City of Cockburn. The Amended Business Plan presents a financial model for each of the three scenarios considered moving forward.

This modelling indicates that the Business as Usual and CDS only scenarios would likely result in net deficit outcomes that would require additional funding from the remaining member Councils from Financial Year 2021 onwards. The combined CDS introduction and FOGO implementation presents the only scenario that provides a financially viable option for the SMRC and its member Councils.

The notional winding up of the RRRC project results in an estimated net contribution from the City of Cockburn to the remaining members of \$365,988. This is based on a net liability from the notional wind up of the project of \$966,177 as outlined in the revised wind-up calculation in the Addendum to the Amended Business Plan.

The City of Cockburn's net liability will be sought through a Deed of Settlement and Release that will prescribe the contribution and the cost of preparing the amended business. The City of Cockburn is however currently disputing the amount of the net contribution owed.

The City of Cockburn, the withdrawing partner, is responsible for the cost for preparing the Amended Business Plan.

A number of assumptions have been built in the Amended Business Plan covering macroeconomics, RRRC and notional windup.

**Macroeconomics**

- Expected life of the project – the RRRC FOGO facility expected to be around 10 years, with the useful life extends through regular maintenance and upgrades
- Population growth data – 2016 to coincide with the 30 June 2016 audited financial statements of the SMRC
- Waste projections – based on historical data and trends relevant to the respective member councils
- Inflation - the annual rate of inflation is based on the Reserve Bank of Australia's ("RBA") stated consumer price index ("CPI") target of between 2% and 3%, adjusted for the current low inflation environment cycle being experienced in WA

**Regional Resource Recovery Centre (RRRC)****Materials Recovery Facility Inputs**

- Base case – Business as Usual
  - Tonnes of recyclables based on average per person
  - Gate fees based on actuals adjusted to CPI annually to FY2024
  - Sales revenue for recyclables based on current trends, adjusted to CPI thereafter, noting commodity prices are predominantly market driven and could vary significantly
  - Operating expenditure costs based on current run-rates and known costs, escalated using inflation assumptions above
  - Net surplus/deficit – forecasting a net deficit before capex of approximately \$1M per annum

**T18/3778 – SOUTHERN METROPOLITAN REGIONAL COUNCIL AMENDED BUSINESS PLAN (REC) (ATTACHMENT)**

- Scenario 1 – Container Deposit Scheme (CDS)
  - Gate fees will reduce to \$nil from 1 July 2019
  - Net surplus/deficit – net benefit of \$1M per annum, translating to net deficit before capex \$200K in FY2020 increasing to \$450K by FY2024

**Green Waste Facility Inputs**

- Base case – Business as Usual
  - Tonnage of 11,960tpa forecast to be processed (FY2018 to FY 2024), with approximately 5,500 tpa from member councils
  - Gate fees based on current actuals adjusted to CPI annually to FDY 2024
  - Sales revenue for recyclables based on current trends, adjusted to CPI thereafter and escalated by CPI annual to FY 2024
  - Operating expenditure costs based on current run-rates and known costs, escalated using inflation assumptions above
  - Net surplus/deficit – break even after RRRC and administrative overhead allocations, with a net surplus before capex of \$11K forecast for FY 2018 increasing to \$84K by FY 2024

**Waste Composting Facility Inputs**

- Base case – Business as Usual
  - Tonnage for member volumes based on average 42,638tpa (average FY 2018 – FY 2024) calculated by population forecasts from forecast.id
  - Commercial tonnage forecast average 37,000tpa between FY 2018 and FY2020, reducing to 13,000tpa following expiry of City of Cockburn contract
  - Gate fees for WCF based on current actuals adjusted for CPI annually to FY2024 and taking into consideration forecast landfill levy increases.
  - Operating expenditure costs based on current run-rates and known costs, escalated using inflation assumptions above
  - Net surplus/deficit – WCF forecasting an average net surplus before capex of approximately \$1M between FY 2018 to FY2020, with annual net deficit before capex of approximately \$2M from FY 2021 following expiry of City of Cockburn contract
  - break even after RRRC and administrative overhead allocations, with a net surplus before capex of \$11K forecast for FY 2018 increasing to \$84K by FY 2024
  
- Scenario 2 – Container Deposit Scheme (CDS) and Food Organics/Garden Organics (FOGO)
  - Tonnes of 34,000tpa FOGO from 1 July 2020
  - Gate fees of \$150/tonne from FY2021 onwards (breakeven position for WCF under FOGO)
  - Net surplus/deficit – net benefit of \$1M per annum, translating to net deficit before capex \$200K in FY2020 increasing to \$450K by FY2024
  - Recoveries of 87.45% (12.55% sent to landfill) and rental for commercial shed space for \$785Kpa from FY2020 to FY 2024



**T18/3778 – SOUTHERN METROPOLITAN REGIONAL COUNCIL AMENDED BUSINESS PLAN (REC) (ATTACHMENT)****Notional Winding Up of SMRC**

Detailed calculations provided in the Amended Business Plan based on the following notes

1. The assets and liabilities relating to RRRC Loan Borrowings have been excluded from the notional winding up calculation pursuant to the RRRC Project Participants Agreement. This includes the written down value of assets acquired using borrowed funds leaving the balance relating to assets that were cash funded.
2. Assumption that inventory will be realised at a discount of 50% to book value, on a liquidation basis.
3. Assumed that Closing Waste in Progress on hand as at 30 June 2017 will be disposed of at an estimated cost of \$511,362 based on SMRC's calculation of operating the facility for 4 weeks and disposal costs for existing stock and unprocessed waste.
4. \$150,000 in external legal fees are estimated to wind-up the Project.
5. It is assumed that realisation costs of 10% of the WDV of property plant & equipment would be incurred to realise the property, plant & equipment (as required by virtue of a notional winding up). This calculation excludes property and plant & equipment funded from loan borrowings. Assumed disposal costs of 15% of the sales value of inventory will be incurred to realise inventory on hand.
6. A winding up contingency of \$630,500 has been included to cover Administrator, employee and other admin costs during the period of winding up the Project. These costs are based on a three-month winding up program for employees and six months for an external Administrator.
7. Termination costs have been estimated based on termination clauses included in relevant plant and equipment contracts.
8. Termination costs for the Canning Vale ground lease include \$4.36 million for site rehabilitation as a result of the make- good clause; this estimate was provided by JDSi Geotechnical Engineers in accordance with the Amended Business Plan scope of works. A 12-month notice period is also required and accordingly 12-month lease costs are included in the estimated termination costs.
9. Based on Pay in Lieu of Notice and Redundancy provisions to 30 June 2017 for operational and administrative staff.
10. RRRC member contributions included RRRC loan contributions and RRRC Education and Marketing contributions. 'Contributions' for services used have not been included on the basis that these are in the nature of usage fees.
11. Agrees to draft audited financial statements.

**T18/3778 – SOUTHERN METROPOLITAN REGIONAL COUNCIL AMENDED BUSINESS PLAN (REC) (ATTACHMENT)****STRATEGIC, RISK AND ENVIRONMENTAL MANAGEMENT IMPLICATIONS**

There is no strategic risk to the Council associated with the recommendation to support the Amended Business Plan. The Amended Business Plan considers the risks to the operation of the RRRC associated with increasing landfill levies, CDS impacts on kerbside recycling volumes and implementation of waste to energy facilities.

Strategic risks and environmental management implications will need to be considered if the scenario of CDS and FOGO implementation is not realised as detailed in the Amended Business Plan.

**POLICY IMPLICATIONS**

There are no policy implications for the City relating to this report.

**CONCLUSION**

The City of Cockburn's withdrawal from Regional Resource Recovery Centre Project operated by the SMRC has triggered the requirement for an Amended Business Plan having regard to the effect of this withdrawal. The Amended Business Plan considers industry developments and other factors impacting the future direction of the SMRC. It also provides modelling for three scenarios showing the financial impacts of the withdrawal of the City of Cockburn on the financial contributions of the remaining participants.

The Amended Business Plan demonstrates that the introduction of CDS combined with implementation of a three bin FOGO system across the remaining member Councils is the only financially viable scenario for the future operation of the RRRC. This scenario aligns with the recommendations of the SMRC Strategic Waste Management Plan.

The SMRC has requested that remaining RRRC project participants endorse the Amended Business Plan, acknowledging business as usual is not financially viable and the scenario of CDS and FOGO implementation is the preferred future waste management collection and processing system for waste management in the region and the RRRC project.

**T18/3778 – SOUTHERN METROPOLITAN REGIONAL COUNCIL AMENDED BUSINESS PLAN (REC) (ATTACHMENT)****OFFICER RECOMMENDATION AND COUNCIL RESOLUTION (3778)                      APPROVAL****That the Council:**

1.     **Endorses the Regional Resource Recovery Centre Project Amended Business Plan 2017. [3778 RRRC Project Amended Business Plan 2017](#)**
2.     **Acknowledges the scenario of a Container Deposit Scheme and implementation of a Food and Garden Organics collection system is the preferred option for future operation of the Regional Resource Recovery Centre Project.**
3.     **Notes that the assumptions used in determining the Regional Resource Recovery Centre Project Amended Business Plan 2017 are subject to change and requests that the Southern Metropolitan Regional Council keep it's project participant members informed of any significant changes, such as the recent developments in reduced export of recyclables to China, and the financial effects of those changes on the viability of the Regional Resource Recovery Centre Project Amended Business Plan 2017 going forward.**

At 7:14pm the Mayor submitted the motion, which was declared

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

**M18/5000 – 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 Advisor

**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 documents to which the City of Melville Common Seal has been applied for the period from 25 January 2018 up to and including 22 February 2018 for the Council's noting.

**M18/5000 – 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>
CS2009	City of Melville and Windelya Sports Association Inc.	Windelya Sports Association Variation to the Leased Area Portion of Morris Buzacott Reserve 31307	4430225
CS2022	City of Melville and Blaze Conveyancing	Authorise Blaze Conveyancing to act for the City for the settlement of 85 Ardross Street, Applecross	3746929 & 3746931
CS2024	City of Melville and McLeod's	Withdrawal of caveat from Leeming Shopping Centre - Strata Plan 21011 (agreement for maintenance of grassed areas)	4434884

**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.*

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.*

**M18/5000 – COMMON SEAL REGISTER (REC)****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 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 25 January 2018 up to and including 22 February 2018.**

At 7:14pm the Mayor submitted the motion, which was declared

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

**C18/6157 – 2017-2018 MID YEAR BUDGET REVIEW (AMREC) (ATTACHMENT)**

Ward	:	All
Category	:	Operational
Subject Index	:	Financial Statements and Investments
Customer Index	:	Not Applicable
Disclosure of any Interest	:	No Officer involved in the preparation of this report has a declarable interest in this matter.
Previous Items	:	Item C17/6111 Special Meeting of Council held 22 June 2017 – Consideration and Adoption of the 2017-2018 Budget. Item C17/6156 Ordinary Meeting of Council held 21 November 2017 – City of Melville Annual Financial Report for 2016-2017
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>

**C18/6157 2017-2018 MID YEAR BUDGET REVIEW (AMREC) (ATTACHMENT)****KEY ISSUES / SUMMARY**

- A Mid Year Budget Review (the Review) is required to be undertaken in accordance with the *Local Government (Financial Management) Regulations 1996*.
- This report presents the results of the Review for the period 1 July 2017 to 31 December 2017 and highlights significant positive and negative variations that require budget amendment.
- This report recommends that the Council notes the results of the Review and by absolute majority approves of the recommended budget amendments required to the 2017-2018 Budget as a result of the Review.
- This report also recommends that in accordance with Council Policy the 2016-2017 Budget Surplus, as audited, of \$2,779,416 be transferred to the Rates Equalisation Reserve.

**BACKGROUND**

The City of Melville reviews its actual versus budget position on an ongoing basis and a budget variation listing and budget variance report is submitted to Council in the monthly Statements of Financial Report.

The Financial Management Regulations (33A) specify that Local Governments must at the least undertake a formal budget review between 1 January and 31 March each year, have it reviewed and adopted by the Council and submit the findings to the Department of Local Government and Communities. The City of Melville has undertaken the Review within this period based on the financial year to date revenue and expenditure position as at 31 December 2017.

The application of surplus 2016-2017 municipal funds is also addressed in this report.

**DETAIL**

A review of budgets has been undertaken by each Budget Responsible Officers, and then reviewed by the Management Accounting and Executive Management Teams.

The financial position for the City as at 31 December 2017 that has been amended as presented will have a nil net budget variance on the budget. This is the net result of both positive and negative variances across both operating and capital budgets and funds to be set aside and funds to be used from specific purpose reserve accounts.



**C18/6157 2017-2018 MID YEAR BUDGET REVIEW (AMREC) (ATTACHMENT)**

The following table is a summary of the Mid Year Review results, with positive variances shown as \$xxx and negative variances shown as (\$xxx) i.e. in red parentheses:

<b>2016-2017 Closing Funds</b>	<b>\$2,779,416</b>
<b>Net Operating Activities</b>	
Governance	\$12,435
General Purpose Funding	\$433,235
Law, Order and Public Safety	(\$2,554)
Health	(\$1,069)
Education and Welfare	\$10,118
Housing	\$1,700
Community Amenities	\$69,865
Recreation and Culture	(\$336,069)
Transport	(\$4,663)
Economic Services	(\$104,371)
Other Property and Services	\$690,835
<b>Net Operating Variance</b>	<b>\$769,462</b>
<b>Net Investing Activities</b>	
Non-operating grants, subsidies and contributions	\$937,964
Disposal of Assets	\$112,052
Furniture and Equipment	\$15,531
Plant and Equipment	(\$171)
Land and Buildings	(\$352,151)
Infrastructure Assets	(\$810,726)
<b>Net Investing Variance</b>	<b>(\$97,501)</b>
<b>Net Financing Activities</b>	
Loan fund movements	\$10,078
Net Reserve Fund Transfers	(\$3,461,455)
<b>Net Financing Variance</b>	<b>(\$3,451,377)</b>
<b>Net Variance as at 31 December 2017</b>	<b>Nil</b>

Key findings are shown below and amendments are shown in line with the Adopted Annual Budget format in attachment: [6157A Mid Year Budget Review Summary Amendments](#).

Whilst the reporting levels adopted by the Council when adopting the 2017-2018 Budget, at its Special Meeting of Council held on 22 June 2017, were 10% or \$50,000 (whichever is greater), some commentary has been provided on variances less than these amounts where considered necessary to gain a full understanding of the net position.

Key material findings in the Operating Budget:

**C18/6157 2017-2018 MID YEAR BUDGET REVIEW (AMREC) (ATTACHMENT)****Governance - \$12,435 Net Positive Variance**

- Members of Council \$1,142 positive variance made up of various non material variances.
- Other Governance \$11,293 positive variance made up of various non material variances.

**General Purpose Funding - \$433,235 Net Positive Variance**

- Reserve interest of \$693,973 positive variance, this will be transferred to Reserves.
- Interim rates (\$673,522) negative variance due mainly to successful rate exemption applications for non rated property status in prior years.
- Commercial rates \$732,885 positive variance following the receipt of property valuation after the preparation of the 2017-2018 budget estimates.
- Residential rates (\$389,424) negative variance arising from a reversal of a prepaid rates accounting entry from 2016-2017 offset by rate adjustments in the current financial year.
- Non material variances amounting to \$69,323.

**Law, Order and Public Safety – (\$2,554) Net Negative Variance**

- Animal Control (\$18,000) negative variance made up of various non material variances.
- Other Public Order, Fire and Safety \$15,446 positive variance made up of various non material variances.

**Health – (\$1,069) Net Negative Variance**

- Maternal and Infant Health (\$1,030) negative variance made up of various non material variances.
- Other Health (\$39) negative variance made up of various non material variances.

**Education and Welfare - \$10,118 Net Positive Variance**

- Aged and Disabled – Senior Citizens Centres \$27,500 positive variance made up of non material variances.
- Care of Families and Children (\$55) negative variance made up of non material negative variances.
- Other Education (\$13,900) negative variance made up of non material negative variances.
- Other Welfare (\$3,427) negative variance made up of non material variances.

**Housing - \$1,700 Net Positive Variance**

- Other Housing \$1,700 positive variance made up of non material variances.

**C18/6157 2017-2018 MID YEAR BUDGET REVIEW (AMREC) (ATTACHMENT)****Community Amenities – \$69,865 Net Positive Variance**

- Sanitation – Other **(\$52,737)** negative variance represented by a reduction in commercial refuse income of \$85,629, increases in employee costs of \$56,507, reductions in waste disposal costs of \$58,165, reductions in contractors of \$41,029 and non material variances of \$9,795.
- Sanitation – Household Refuse \$56,598 positive variance represented by a reduction in waste recyclables processing fees of \$75,476 plus non material variances of \$18,878.
- Urban Stormwater Drainage **(\$49,000)** negative variance due to an increase in contractors costs.
- Town Planning and Regional Development \$60,904 positive variance due to a \$90,404 reduction in professional consultancies, with the balance of \$29,500 made up of various non material variances.
- Protection of Environment \$54,100 positive variance represented by a \$57,500 reduction in contractor costs and the balance of \$3,400 made up of various non material variances.

**Recreation and Culture – (\$336,069) Net Negative Variance**

- Heritage **(\$67,765)** negative variance represented by a reduction in commercial lease income of \$60,000, plus \$7,765 in non material variances.
- Libraries \$39,800 positive variance represented by various non material variances.
- Other Culture \$6,464 positive variance represented by a \$50,000 increase in grant income, offset by \$43,536 in various non material variances.
- Other Recreation and Sport **(\$11,003)** negative variance represented by a \$78,366 reduction in term fee income, an \$53,955 increase in contractors costs offset by various non material variances.
- Public Halls and Civic Centres **(\$9,316)** negative variance represented by various non material variances.
- Swimming Areas and Beaches **(\$294,249)** negative variance represented by a net reduction in Leisurefit Booragoon income of \$381,681, partially offset by a \$100,132 reduction in employee costs, and a net negative variance of \$12,700 in various non material variances.

NB: In respect to the Leisurefit Centres negative variance a future report will be presented to Elected Members..

**Transport – (\$4,663) Net Negative Variance**

- Parking Facilities \$8,000 positive variance represented by various non material variances.
- Streets, Roads, Bridges and Depot **(\$7,663)** negative variance represented by an increase in contractors of \$47,819 offset by various non material variances.
- Water Transport Facilities **(\$5,000)** negative variance represented by various non material variances.

**C18/6157 2017-2018 MID YEAR BUDGET REVIEW (AMREC) (ATTACHMENT)****Economic Services – (\$104,371) Net Negative Variance**

- Building Control \$70,000 positive variance due to an increase in expected licence fees.
- Tourism and Area Promotion \$16,000 positive non material variance.
- Other Economic Services \$35,137 positive non material variance.
- Economic Development (\$145,508) negative variance represented by a \$137,290 reduction in lease income, and \$8,218 in various non material variances.
- Public Utility Services incl. Underground Power (\$80,000) negative variance due to a reduction in underground power project administration income.

**Other Property and Services - \$690,835 Net Positive Variance**

- Plant Operations (\$425) negative variance made up of non material negative variances.
- Public Works Overheads \$156,216 positive variance made up of a \$115,398 net increase in design staff costs recovered, plus \$40,818 in various non material variances.
- Salaries and Wages \$193,699 positive variance arising from reductions in the salary targeting budget used to fund other budget adjustments.
- Unclassified \$500 positive variance due to a reduction in minor capital equipment costs.
- General Administration Overheads \$432,648 positive variance represented by \$150,339 in workers compensation premium refunds, \$432,315 reductions in workers compensation premiums, \$62,000 savings in general training costs, a \$150,000 increase in special training, and a net negative variance of \$62,006 made up of various non material variances.
- Business Unit Operations (\$91,803) negative variance represented by a \$68,800 increase in professional consultancies, the balance being made of various non material variances.

Key material findings in the Capital Budget:

**Non-operating grants, subsidies and contributions – \$937,964 Net Positive Variance**

- Buildings (\$3,000) negative variance represented by a decrease in funding to be received for the Deep Water Point change rooms refurbishment.
- Paths \$109,000 positive variance represented by additional funding to be received for the Murdoch Drive Stage 2 project.
- Roads \$831,964 positive variance represented by \$469,933 additional grant funding for the Reynolds Road project, \$150,867 additional grant funding for the Garling Street project, \$330,285 final grant funding for the 2017-2018 Roads to Recovery grants program. Reductions in grant funding for the Direct Grant funding (Roads) grant of \$52,454 and the Rome Road Street lighting upgrade project of \$66,667 make up the balance of the variance.

**C18/6157 2017-2018 MID YEAR BUDGET REVIEW (AMREC) (ATTACHMENT)****Proceeds from disposal of assets - \$112,052 Net Positive Variance**

- \$67,245 positive variance due to additional proceeds (compared to budget) on the sale of property at 85 Ardross Street, Applecross.
- Other Non material variances of \$44,807.

**Purchase of Furniture and Equipment - \$15,531 Net Positive Variance**

- IT Capital Expenditure \$15,531 positive variance represented by the reduction in expenditure.

**Purchase of Plant and Equipment – (\$171) Net Negative Variance**

- Non material variances of \$171.

**Purchase of Land and Buildings – (\$352,151) Net Negative Variance**

- Leisure Fit Booragoon (\$100,000) negative variance represented by a revision in the scope of swimming pool repairs required.
- Civic Centre external cladding (\$100,000) negative variance to meet the expected cost of external repairs to the building.
- Libraries (\$55,000) negative variance represented by additional costs to relocate the Civic Library during the course of the Garden City redevelopment.
- Civic Centre tiling and waterproofing (\$50,000) negative variance to meet the cost of tiling and waterproofing repairs to level 2 of the Civic Centre
- Heritage (\$40,000) negative variance represented by Heathcote precinct improvements.
- Other non material variances of (\$7,151).

**Purchase of Infrastructure Assets – (\$810,726) Net Negative Variance**

- Drainage projects (\$13,936) negative variance made up of non material items.
- Environmental projects \$29,256 positive variance made up of non material items.
- Foreshore Facilities (\$6,000) negative variance made up of non material items.
- Lighting (\$13,750) negative variance made up of non material items.
- Parks \$29,403 positive variance made up of non material items.
- Parks Streetscapes and Structures \$19,216 positive variance made up of non material items.
- Paths \$39,045 positive variance made up of positive variances in the Kinross Road project \$51,291, Bartling Crescent project \$65,095, a negative variance in the Palmyra Primary School project of \$72,000 and other non material negative variances of \$5,341.
- Playgrounds (\$131,578) negative variance made up of a negative variance of \$90,000 for the Heathcote Playground Renewal project and other non material variances of \$46,919.

**C18/6157 2017-2018 MID YEAR BUDGET REVIEW (AMREC) (ATTACHMENT)**

- Roads **(\$467,382)** negative variance made up as follows. Negative variances for the following projects Reynolds Road \$156,450, Marmion Street (1) \$74,934, Marmion Street (2) \$102,980, Marmion Street (3) \$62,301, Camm Avenue \$117,701, Anglesey Drive \$82,451. Positive variances for Honour Avenue/Point Walter Road \$74,386, Rome Road Street Lighting upgrade \$87,547. Plus non material negative variances totalling \$32,495.
- Urban Forest project **(\$175,000)** negative variance.
- Heathcote lower lands project **(\$120,000)** negative variance for design work.

A listing of material capital works program adjustments is included in attachment [6157B Significant Capital Works Project Budget Amendments](#).

**Loan Funds - \$10,078 Net Positive Variance**

- Self Supporting Loans \$10,078 non material variances in principal and interest amounts.

**Reserve Accounts****Net Funds (Set Aside)/Used – **(\$3,461,455)** Net Funds Set Aside**

Plant Replacement Reserve - **(\$44,636)** decrease in net funds to be used. Represented by the early sale of two vehicles not scheduled for 2017-2018.

Commercial Refuse Reserve - \$58,962 reduction in net funds to be set aside. Represented by a reduction in commercial refuse income being received.

Refuse Facilities Reserve – **(\$57,885)** increase in net funds to be set aside. Represented by a decrease in bulk verge operating costs.

Risk Management Reserve - **(\$132,082)** increase in net funds to be set aside. Represented by reductions in workers compensation insurance premiums incurred by the city as advised by its insurer.

Community Facilities Reserve - \$160,151 increase in net funds to be used. Represented by movements in buildings capital income and expenditure.

Infrastructure Asset Management Reserve – **(\$238,471)** decrease in net funds to be used. Represented by movements in renewal capital income and expenditure.

Land and Property Reserve - **(\$67,245)** increase in net funds to be set aside. Represented by additional proceeds on the sale of property at 85 Ardross Street, Applecross.

Information Technology Reserve - **(\$16,031)** decrease in net funds to be used. Represented by a reduction in funding required for the 2017-2018 IT capital program.

Public Open Space and Urban Forest Reserve - \$198,600 increase in net funds to be used. Represented by additional funding of \$175,000 required for the Urban Forest capital program plus \$23,600 for the South East Park Development Planning project.

**C18/6157 2017-2018 MID YEAR BUDGET REVIEW (AMREC) (ATTACHMENT)**

Recreation Centres Equipment Replacement Reserve - \$100,000 increase in net funds to be used. This represents additional funding required to meet the cost of swimming pool repairs.

Future Works Reserve - (\$171,764) decrease in net funds to be used. Represented by movements in new and upgrade capital income and expenditure.

Special Projects Reserve - (\$2,665) decrease in net funds to be used. Represented by a reduction in election expenses of \$15,165 and offset by a minor increase in Special project funding.

Rates Equalisation Reserve – (\$2,524,416) increase in net funds to be set aside. Represented by net closing funds of (\$2,779,416) transferred to reserve, less an amount of \$255,000 transferred from the reserve to offset the impact of the General Purpose Funding operating variances described above (excluding reserve interest)

The 2016-2017 net closing funds of \$2,779,416 have been transferred to the Rates Equalisation Reserve – further details below.

Reserve Interest – (\$693,973) increase in net funds to be set aside. This represents the additional interest earned on reserve accounts, over and above that estimated in the annual budget, transferred to those reserve accounts.

Organisational Environmental Sustainability Initiatives Reserve – (\$30,000) decrease in net funds to be used. This represents a reduction in capital expenditure expected to be undertaken in the 2017-2018 financial year.

**2016-2017 Closing Funds**

The audited annual financial statements for the 2016-2017 financial year reflected a budget surplus of \$3,029,416.

At the Special Meeting of Council held 28 June 2016 Item C17/6111 – Consideration and Adoption of the 2017-2018 Budget, the Council resolved –

*That the Council note that an estimated Municipal Fund 30 June 2017 closing funds amount of \$250,000 has been used as an opening position in the 2017-2018 budget and that the final net closing funds amount will be determined following receipt of the 2016-2017 audited financial statements and approves the transfer of any additional net closing funds for the completed 2016-2017 financial year over \$250,000 being transferred to the Rates Equalisation Reserve account.*

At the Ordinary Meeting of Council held 21 November 2017 – City of Melville Annual Financial Report for 2016-2017, the 2016-2017 net closing funds of \$2,779,416, represented by the \$3,029,416 closing funds less opening budgeted funds of \$250,000, were reported.

Officers recommend that the remaining surplus funds of \$2,779,416 be allocated to the Rates Equalisation Reserve in accordance with the above resolution, and the intended purpose of the reserve, to offset future rate rises.

**C18/6157 2017-2018 MID YEAR BUDGET REVIEW (AMREC) (ATTACHMENT)****STAKEHOLDER ENGAGEMENT****I. COMMUNITY**

Not Applicable

**II. OTHER AGENCIES / CONSULTANTS**

Not Applicable

**STATUTORY AND LEGAL IMPLICATIONS****33A. Review of budget**

- (1) *Between 1 January and 31 March in each financial year a local government is to carry out a review of its annual budget for that year.*
- (2A) *The review of an annual budget for a financial year must —*
  - (a) *consider the local government's financial performance in the period beginning on 1 July and ending no earlier than 31 December in that financial year; and*
  - (b) *consider the local government's financial position as at the date of the review; and*
  - (c) *review the outcomes for the end of that financial year that are forecast in the budget.*
- (2) *Within 30 days after a review of the annual budget of a local government is carried out it is to be submitted to the council.*
- (3) *A council is to consider a review submitted to it and is to determine\* whether or not to adopt the review, any parts of the review or any recommendations made in the review.*

**FINANCIAL IMPLICATIONS**

After taking into account the various positive and negative variances and Reserve Funds adjustments, the mid year Budget Review has identified an overall net budget variance of nil.

**STRATEGIC, RISK AND ENVIRONMENTAL MANAGEMENT IMPLICATIONS**

A number of the budget amendments fund specific actions to reduce Risks. Other than that there are no specific strategic, risk or environmental implications associated with this report.



**C18/6157 2017-2018 MID YEAR BUDGET REVIEW (AMREC) (ATTACHMENT)**

**POLICY IMPLICATIONS**

The Review has been conducted in accordance with the Accounting Policy CP-025 using the Programme and Sub Programme categories.

**ALTERNATE OPTIONS AND THEIR IMPLICATIONS**

After considering the review the Council is to determine whether or not to adopt the review, any parts of the review or any recommendations in the review.

**CONCLUSION**

The Budget Review has identified a number of programs requiring budget amendments. Overall the net impact of the 2017-2018 Budget Review is nil.

**OFFICER RECOMMENDATION AND COUNCIL RESOLUTION (6157)  
ABSOLUTE MAJORITY APPROVAL**

At 7:13pm Cr Macphail moved, seconded Cr Wieland –

**That the Council:**

1. **Notes the 2017-2018 Mid Year Budget Review and attachments [6157A Mid Year Budget Review Summary Amendments](#) and [6157B Significant Capital Works Project Budget Amendments](#)**
2. **By Absolute Majority decision adopts the budget review with the following amendments to be made to the Rate Setting Statement adopted in the 2017-2018 Annual Budget;**

2016-2017 Closing Funds	\$2,779,416
Operating Revenue	
Governance	\$4,810
General Purpose Funding	\$439,414
Law, Order and Public Safety	\$7,995
Health	(\$20,000)
Education and Welfare	\$26,500
Community Amenities	(\$95,613)
Recreation and Culture	(\$478,111)
Transport	(\$1,804)
Economic Services	(\$100,421)
Other Property and Services	\$274,457
Net Operating Revenue	\$57,227

**C18/6157 2017-2018 MID YEAR BUDGET REVIEW (AMREC) (ATTACHMENT)**

Operating Expenditure	
Governance	\$7,625
General Purpose Funding	(\$6,179)
Law, Order and Public Safety	(\$10,549)
Health	\$18,931
Education and Welfare	(\$16,382)
Housing	\$1,700
Community Amenities	\$165,478
Recreation and Culture	\$142,042
Transport	(\$2,859)
Economic Services	(\$3,950)
Other Property and Services	\$416,378
Net Operating Expenditure	\$712,235
<b>Net Operating Variance</b>	<b>\$769,462</b>
Net Investing Activities	
Non-operating grants, subsidies and contributions	\$937,964
Disposal of Assets	\$112,052
Furniture and Equipment	\$15,531
Plant and Equipment	(\$171)
Land and Buildings	(\$352,151)
Infrastructure Assets	(\$810,726)
Net Investing Variance	(\$97,501)
Net Financing Activities	
Loan fund movements	\$10,078
Net Reserve Fund Transfers	(\$3,461,455)
Net Financing Variance	(\$3,451,377)
Net Variance as at 31 December 2017	Nil

At 7:13pm the Mayor submitted the motion, which was declared

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

**C18/6000 - INVESTMENT STATEMENTS AS AT 31 JANUARY 2018 (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**

<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 (e.g. 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 presents the investment statements for the period ending 31 January 2018 for the Council's information and noting.

**C18/6000 - INVESTMENT STATEMENTS FOR JANUARY 2018 (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.

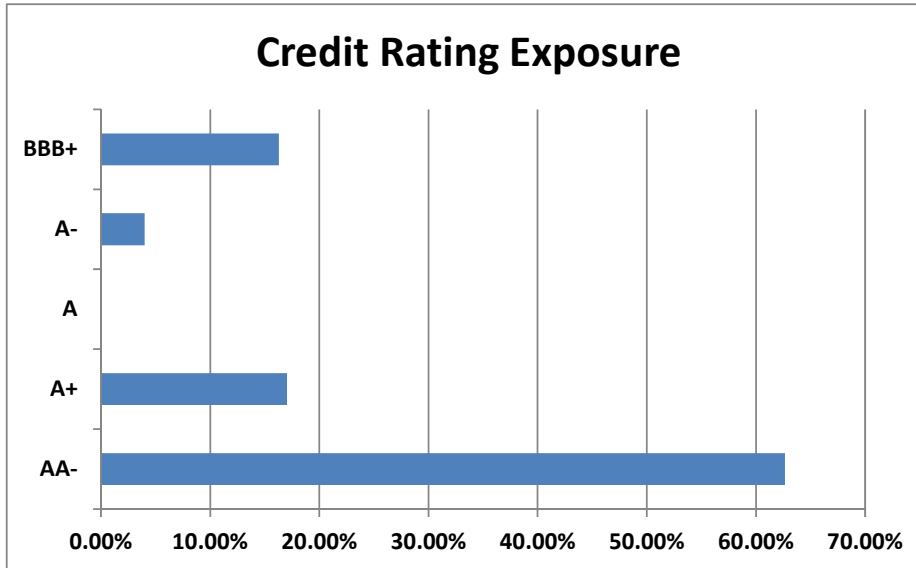
The investment of cash holdings is undertaken in accordance with Council Policy CP-009 - Investment of Funds, with the objective of maximising returns whilst maintaining low levels of credit risk exposure.

**DETAIL**

Summary details of investments held as at 31 January 2018 are shown in the tables below. The following statements detail the investments held by the City as at 31 January 2018.

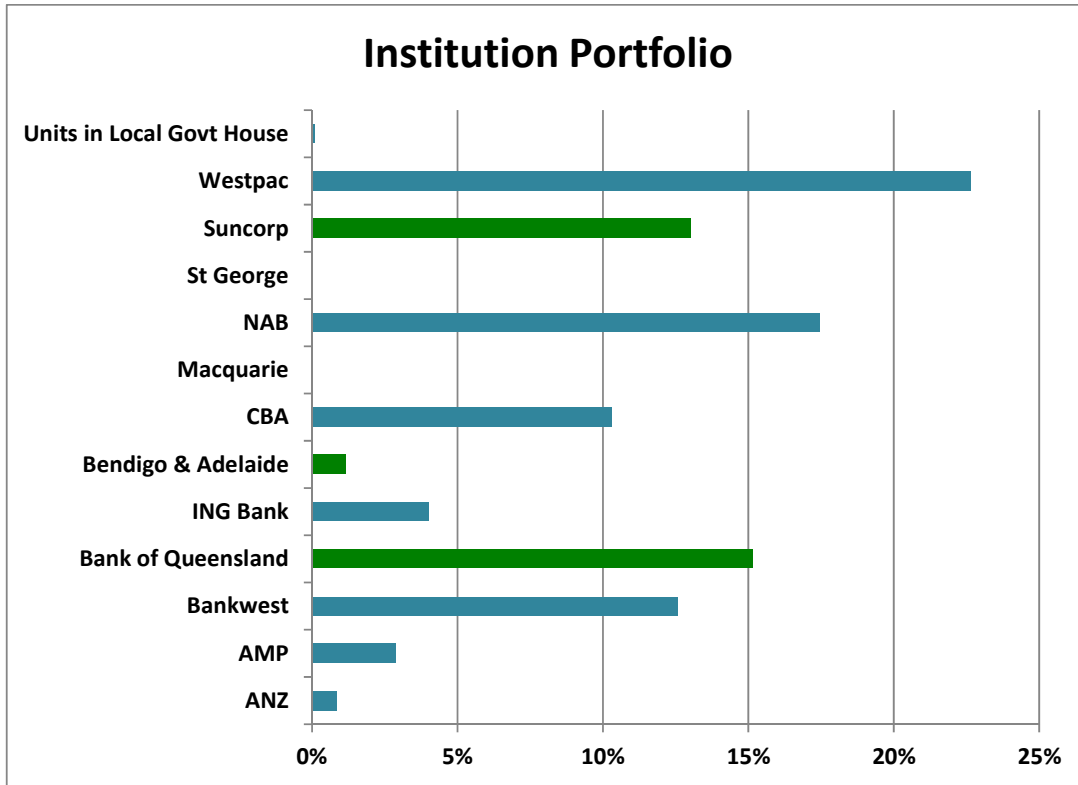
CITY OF MELVILLE STATEMENT OF INVESTMENTS FOR THE PERIOD ENDING 31 JANUARY 2018	
<b>SUMMARY BY FUND</b>	
	<b>AMOUNT</b> \$
MUNICIPAL	\$ 43,052,285
RESERVE	\$ 130,832,767
TRUST	\$ 1,001,435
CITIZEN RELIEF	\$ 212,868
	<b>\$ 175,099,355</b>
<b>SUMMARY BY INVESTMENT TYPE</b>	
	<b>AMOUNT</b> \$
11AM	\$ 6,032,667
31DAYS AT CALL	\$ 23,000,000
60DAYS AT CALL	\$ 2,000,000
90DAYS AT CALL	\$ 8,600,000
TERM DEPOSIT	\$ 135,312,020
UNITS (Local Govt Hse)	\$ 154,668
	<b>\$ 175,099,355</b>
<b>SUMMARY BY CREDIT RATING</b>	
	<b>AMOUNT</b> \$
AA-	\$ 109,644,687
A+	\$ 29,800,000
A	\$ -
A-	\$ 7,000,000
BBB+	\$ 28,500,000
UNITS (Local Govt Hse)	\$ 154,668
	<b>\$ 175,099,355</b>

**C18/6000 - INVESTMENT STATEMENTS FOR JANUARY 2018 (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		0.86%	0.86%	30%	No	
AMP BANK (TERM)	TERM	A+	5,000,000		2.86%	2.86%	25%	No	
BANKWEST (TERM)	TERM	AA-	22,000,000		12.56%	12.56%	30%	No	
BANK OF QUEENSLAND (TERM)	TERM	BBB+	26,500,000		15.13%	15.13%	15%	Yes	26,500,000
BENDIGO AND ADELAIDE BANK (TERM)	TERM	BBB+	2,000,000		1.14%	1.14%	15%	Yes	2,000,000
COMMONWEALTH BANK (TERM)	TERM	AA-	18,000,000		10.28%	10.28%	30%	No	
ING BANK (TERM)	TERM	A-	7,000,000		4.00%				
ING BANK (FRTD)	FRTD	A-	-		0.00%	4.00%	25%	No	
MACQUARIE BANK (TERM)	TERM	A	-		0.00%	0.00%	25%	No	
NAB (TERM)	TERM	AA-	30,512,020		17.43%	17.43%	30%	No	
ST GEORGE BANK (TERM)	TERM	AA-	-		0.00%	0.00%	30%	No	
SUNCORP METWAY LTD (TERM)	TERM	A+	22,800,000		13.02%	13.02%	25%	Yes	22,800,000
WESTPAC (MAXI BONUS 1)	11AM	AA-	869,670		0.50%				
WESTPAC (MAXI BONUS 2)	11AM	AA-	1,045,737		0.60%				
WESTPAC (MAXI DIRECT)	11AM	AA-	4,117,260		2.35%				
WESTPAC (31DAYS AT CALL)	31DAYS AT CALL	AA-	23,000,000		13.14%				
WESTPAC (60DAYS AT CALL)	60DAYS AT CALL	AA-	2,000,000		1.14%				
WESTPAC (90DAYS AT CALL)	90DAYS AT CALL	AA-	8,600,000		4.91%				
WESTPAC (TERM)	TERM	AA-	-		0.00%	22.63%	30%	No	
UNITS IN LOCAL GOV'T HOUSE	NA	NA	154,668		0.09%	0.09%		N/A	
			<b>175,099,355</b>		<b>100%</b>	<b>100%</b>			<b>51,300,000</b>
<b>Total Non Fossil Fuel Lending ADI</b>									<b>29%</b>

C18/6000 - INVESTMENT STATEMENTS FOR JANUARY 2018 (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.

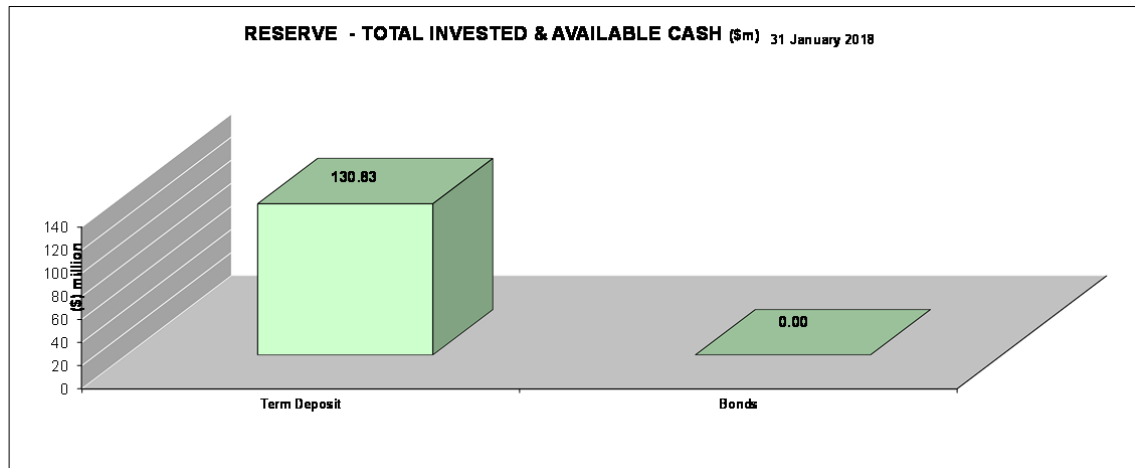
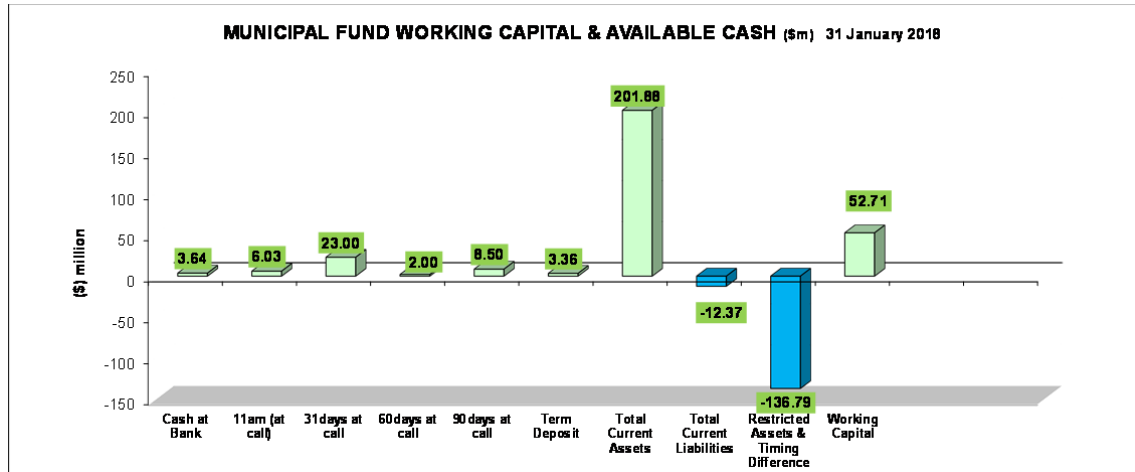
The total investment in authorised institutions that do not lend to industries engaged in the exploration for, or production of, fossil fuels, as at 31 January was \$51,300,000 or 29% of total investment holdings being in non-fossil fuels institutions. This compared to \$49,800,000 (28%) in December 2017. The amount of investment holdings in non-fossil fuels institutions increased from December as well as the percentage of the holding.

The total investment holding for December was \$175,594,952 and January was \$175,099,355.

**C18/6000 - INVESTMENT STATEMENTS FOR JANUARY 2018 (REC)**

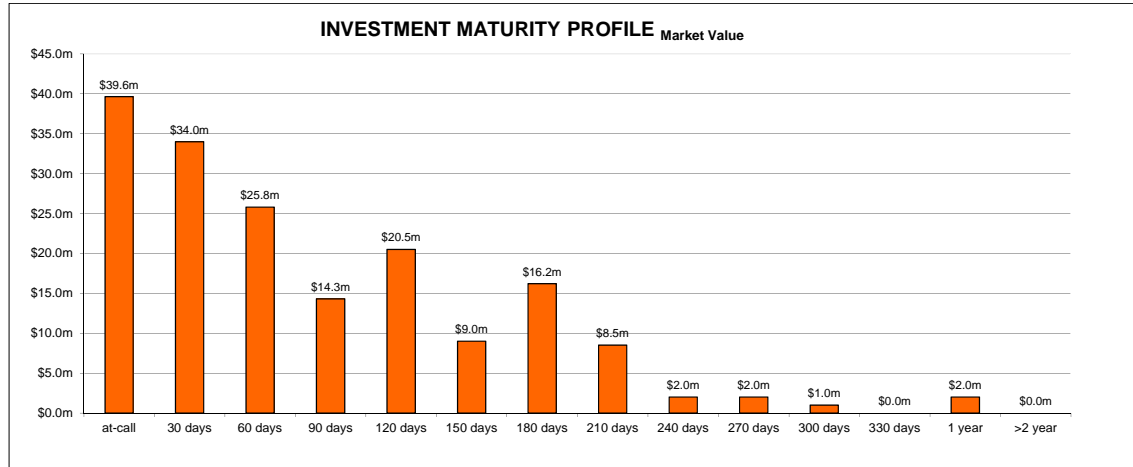
**Net Funds Held**

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 January 2018.



**C18/6000 - INVESTMENT STATEMENTS FOR JANUARY 2018 (REC)**

The graph below summarises the maturity profile of the City's investments at market value as at 31 January 2018.



**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, depending on the shape of the yield curve, enable the City to achieve better investment returns.



**C18/6000 - INVESTMENT STATEMENTS FOR JANUARY 2018 (REC)**

**FINANCIAL IMPLICATIONS**

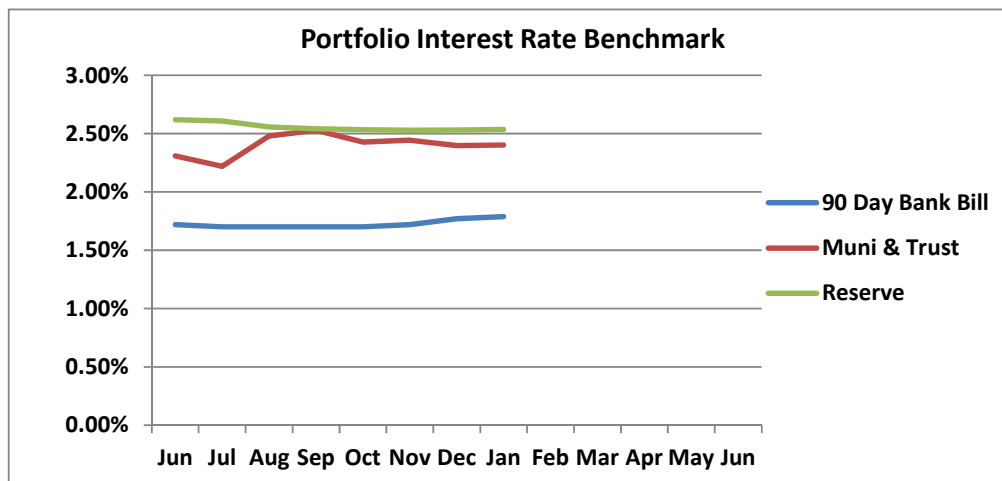
For the period ending 31 January 2018:

- Investment earnings on Municipal and Trust Funds were \$518,722 against a year to date budget of \$354,083 representing a \$164,639 positive variance.

The weighted average interest rate for Municipal and Trust Fund investments as at 31 January 2018 was 2.40% which compares favourably to the benchmark three month bank bill swap (BBSW) reference rate of 1.79%.

- Investment earnings on Reserve accounts were \$1,916,518 against a year to date budget of \$1,545,014 representing a \$371,504 positive variance.

The weighted average interest rate for Reserve account investments as at 31 January 2018 was 2.54% which compares favourably to the benchmark three month bank bill swap (BBSW) reference rate of 1.79%.



**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.

**C18/6000 - INVESTMENT STATEMENTS FOR JANUARY 2018 (REC)****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.

**CONCLUSION**

The City's investment portfolio is invested in highly secure investments with a low level of risk yielding a weighted average rate of return of 2.40% to 2.54% which well exceeds the benchmark three month bank bill swap (BBSW) reference rate of 1.79%.

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 will be determined by the cash flows of the City and movements in interest rates on term deposits.

**OFFICER RECOMMENDATION AND COUNCIL RESOLUTION (6000)****NOTING****That the Council notes the Investment Report for the period ending 31 January 2018.**

At 7:14pm the Mayor submitted the motion, which was declared

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

**C18/6001 – SCHEDULE OF ACCOUNTS PAID FOR JANUARY 2018 (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**

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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 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 presents the details of payments made under delegated authority to suppliers for the month of January 2018 and recommends that the Schedule of Accounts Paid be noted.

**C18/6001 – SCHEDULE OF ACCOUNTS PAID FOR JANUARY 2018 (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 31 January 2018 including Payment Registers numbers, Cheques 637 - 639 and Electronic Funds Transfers batches 489 - 492, Trust Payments, Card Payments and Payroll was distributed to the Elected Members of the Council on 2 March 2018. Payments for the period totalled \$9,235,680.20 for the Municipal Fund and \$96,667.08 for the Trust Fund whilst new investment transactions totalled \$7,500,000.00. Details of the payments are shown in attachment [6001 January 2018](#).

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

Supplier Name	Remittance Number	Remittance Details	Amount
AE Hoskins & Sons	E061587	Progress claim for refurbishment works at Bull Creek Library	\$104,799.70
Asphaltech Pty Ltd	E061541 & E061813	Road resurfacing at various sites	\$609,705.50
Australia Post Perth	E061471	Mail charges	\$32,875.78
Axis Contracting Pty Ltd	E061549	Concrete works at various sites	\$45,334.99
Briteshine Cleaning Services	E061435 & E061701	Cleaning services at various sites	\$25,956.30
Building & Construction Industry Training Fund	Chq 007163	Remittance of the building construction training levy collected by the City with building licence applications	\$49,467.63
Caltex	Direct Bank Transfer	Caltex fuel	\$86,706.30
Calibre Coatings Pty Ltd	E061451 & E061719	Painting at Blue Gum Community Centre and 8 Hickey Street	\$44,660.00
City of Cockburn	E061674	Commercial waste tip fees for December 2017	\$76,084.69
Denver Technology (Australia) Pty Ltd	E061546	Server and storage refresh upgrade	\$443,361.56
Department of Commerce	E061405	Remittance of Building Service Levy collected on building licence applications	\$47,199.45
Department of Fire & Emergency Services	E061534	ESL remittance for December 2017	\$656,820.16
Dickies Tree Service	E061411 & E061675	Tree lopping services	\$124,983.17
EMSO Maintenance T/A Crabclaw Holdings Pty Ltd	E061469 & E061744	Building maintenance	\$41,922.51
Flexi Staff	E061434 & E061700	Temporary employment	\$60,557.81
Fredon Air Pty Ltd	E061560 & E061828	Service and maintenance to air conditioners City wide	\$29,667.11

**C18/6001 – SCHEDULE OF ACCOUNTS PAID FOR JANUARY 2018 (REC)  
(ATTACHMENT)**

Supplier Name	Remittance Number	Remittance Details	Amount
Goodyear & Dunlop Tyres (Australia) Pty Ltd T/A Beaurepaires	E061487 & E061762	Supply of tyres for City vehicles	\$25,633.37
Hays Specialist Recruitment (Australia) Pty Ltd	E061540 & E061812	Temporary employment	\$36,985.03
Major Motors	E061416 & E061684	Purchase of Isuzu FVD truck and supply of various parts for vehicles	\$204,263.89
Natural Area Management & Services	E061610 & E06175	Planting, weed control, erosion maintenance, grass treatment and revetment works at various Reserves	\$30,191.79
Pearmans Electrical & Mechanical Services	E061517 & E061788	Electrical services	\$61,262.19
Reece Pty Ltd	E061496 & E061770	Irrigation supplies	\$30,854.47
Southern Metropolitan Regional Council	E061484 & E061759	RRRC loan repayment, green waste gate fees, MRF gate fees, MSW gate fees and over compaction charge for December and MSW gate fees for January	\$859,239.20
South West Group	E061454	2017/2018 member council contribution second instalment	\$51,982.50
Synergy	E061433 & E061699	Electricity charges	\$364,030.74
T-Quip Turf Equipment Solutions	E061421 & E061689	Purchase of Toro mower and Toro aerator	\$85,531.98
Tree Planting & Watering (ATF) Baroness Holdings Pty Ltd	E061538 & E061811	Street tree watering	\$97,592.96
Triton Electrical Contactors Pty Ltd	E061536 & E061806	Irrigation cubicle works at various sites	\$39,068.23
Turf Care WA Pty Ltd	E061481, E061649 & E061755	Mowing, top dressing and aeration of various Reserves	\$40,112.20
Western Australian Electoral Commission	E061483	Costs associated with 2017 Local Government election	\$241,662.90
Water Corporation	Chq's 068473 & 068554	Water charges	\$66,462.30
Western Educting Services	E061464 & E061737	Drainage and educting at various sites	\$25,066.25

**Payroll**

Supplier Name	Remittance Number	Remittance Details	Amount
Various Banking Institutions	Direct Bank Transfers 10/01/2018 & 24/01/2018	Payment of salaries and wages to City employees net of tax and deduction for pays 14 and 15.	\$2,123,616.83
Australian Taxation Office	Direct Bank Transfers 10/01/2018 & 24/01/2018	Pay as You-Go taxation and other deductions from employee payroll for pays 14 and 15.	\$667,130.00
Creditors and Advances	Direct Bank Transfers 10/01/2018 & 24/01/2018	Payment of superannuation, union membership, council rates, vehicle deductions, Centrelink, etc. for pays 14 and 15.	\$514,104.76
<b>Total</b>			<b>3,304,851.59</b>

**C18/6001 – SCHEDULE OF ACCOUNTS PAID FOR JANUARY 2018 (REC)  
(ATTACHMENT)****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.

**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 the period totalled \$9,235,680.20 for the Municipal Fund and \$96,667.08 for the Trust Fund whilst new investment transactions totalled \$7,500,000.00.

The report and attached Schedule of Accounts Paid is presented for the Council's information.

**C18/6001 – SCHEDULE OF ACCOUNTS PAID FOR JANUARY 2018 (REC)  
(ATTACHMENT)**

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

**That the Council notes the Schedule of Accounts paid for the period ending 31 January 2018 as approved by the Director Corporate Services in accordance with delegated authority DA-035, and detailed in attachment [6001 January 2018](#)**

At 7:14pm the Mayor submitted the motion, which was declared

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

**C18/6002 – STATEMENTS OF FINANCIAL ACTIVITY FOR JANUARY 2018 (REC)  
(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 31 January 2018 and recommends that they be noted by the Council.
- The variances for the month of January 2018 and recommends that they be noted by the Council.
- There were no budget amendments in January 2018 due to the mid-year budget review being undertaken.



**C18/6002 – STATEMENTS OF FINANCIAL ACTIVITY FOR JANUARY 2018 (REC)  
(ATTACHMENTS)**
**BACKGROUND**

The Statements of Financial Activity for the period ending 31 January 2018 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 January 2018**

	<i>January Actual \$</i>	<i>YTD Rev. Budget \$</i>	<i>YTD Actual \$</i>	<i>Variance \$</i>	<i>Variance %</i>	<i>Annual Budget \$</i>	<i>Annual Rev. Budget \$</i>
<b>OPERATING ACTIVITIES</b>							
Revenue from operating activities (excluding rates and non-operating grant, subsidies and contributions)							
General Purpose Funding	447,543	6,215,496	6,963,642	748,147	12%	10,206,355	10,230,195
Law, Order, Public Safety	34,087	2,495,054	2,580,478	85,423	3%	2,640,836	2,702,906
Recreation and Culture	755,927	5,110,898	4,863,487	(247,411)	-5%	8,570,847	8,582,847
Economic Services	435,308	1,855,765	2,237,318	381,553	21%	2,613,767	2,613,767
Other Property and Services	1,577	1,607,851	177,619	(1,430,232)	-89%	1,881,450	2,235,250
	<b>1,947,331</b>	<b>21,464,742</b>	<b>20,985,056</b>	<b>(479,686)</b>		<b>31,450,827</b>	<b>32,109,712</b>
<b>Expenditure from operating activities</b>							
Governance	(547,352)	(2,935,778)	(2,733,441)	202,337	-7%	(5,263,277)	(5,424,286)
Law, Order, Public Safety	(303,711)	(2,430,966)	(2,286,746)	144,219	-6%	(4,118,059)	(4,192,789)
Health	(73,703)	(688,211)	(623,980)	64,231	-9%	(1,168,492)	(1,153,320)
Education & Welfare	(194,082)	(1,617,366)	(1,485,269)	132,097	-8%	(2,729,585)	(2,731,679)
Community Amenities	(1,653,060)	(15,390,968)	(14,193,719)	1,197,248	-8%	(24,667,337)	(25,933,609)
Recreation and Culture	(2,210,252)	(17,897,120)	(16,330,599)	1,566,522	-9%	(29,988,278)	(30,010,780)
Transport	(934,257)	(10,160,980)	(9,510,239)	650,741	-6%	(17,725,955)	(17,728,708)
Economic Services	(192,941)	(1,424,187)	(1,518,322)	(94,135)	7%	(2,390,021)	(2,403,060)
Other Property and Services	(691,235)	(5,905,595)	(4,345,005)	1,560,590	-26%	(10,369,279)	(11,411,788)
	<b>(6,727,160)</b>	<b>(58,983,850)</b>	<b>(53,606,304)</b>	<b>5,377,545</b>		<b>(101,719,144)</b>	<b>(104,285,108)</b>
<b>Investing Activities</b>							
Non-operating grants, subsidies and contributions	0	1,682,900	1,285,812	(397,088)		2,236,267	3,086,900
Proceeds from Disposal of Assets	79,667	1,710,502	1,799,072	88,571	5%	2,158,950	2,512,750
Purchase of Furniture & Equipment	(468,740)	(1,105,718)	(827,047)	278,671	-25%	(2,173,668)	(3,447,606)
Purchase of Plant & Equipment	(294,153)	(448,969)	(665,936)	(216,967)	48%	(2,235,727)	(3,699,470)
Purchase of Land & Buildings	(220,376)	(1,912,570)	(1,404,316)	508,254	-27%	(12,992,772)	(20,369,234)
Purchase of Infrastructure Assets	(787,453)	(8,264,331)	(6,647,522)	1,616,809	-20%	(17,552,829)	(24,260,466)

**C18/6002 – STATEMENTS OF FINANCIAL ACTIVITY FOR JANUARY 2018 (REC)  
(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 January 2018](#) and [6002H January 2018](#).

**Revenue**

\$85.45 million in Rates was raised to 31 January 2018, compared to \$82.63 million being \$2.82m or 3.4% more than for the same reporting period last year. This is compared with a revised year to date budget of \$85.28 million, resulting in a positive variance of \$170,422 (0.2%). This variance has arisen out of 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 January 2018.

**Budget Amendments**

There were no Budget Amendments processed for the month of January 2018 due to the mid-year budget review being in progress.

**Rates Debtors**

Rates, Refuse, Fire and Emergency Service Authority and Underground Power payments totalling \$8,357,150 were collected over the course of the month. Rates collection progress for the month of January is 0.8% below the target of 83%. This represents a dollar value of \$731,625. As at 31 January 82.2% of 2017-2018 rates, including prior year arrears had been collected compared with 84.2% collected for the same time last year. Rates collection for 2017-2018 excluding prior year rates arrears is 86%.

**Other Debtors**

Total sundry debtor balances increased by \$155,388 over the course of the month from \$502,461 to \$657,849. The 90+ day's debtor balance increased by \$53 from \$179,133 to \$179,186.

**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.

There were no debts written off for the month of January 2018.

**C18/6002 – STATEMENTS OF FINANCIAL ACTIVITY FOR JANUARY 2018 (REC)  
(ATTACHMENTS)**

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

DESCRIPTION	LINK
Statement of Financial Activity By Nature and Type – January 2018	<a href="#">6002A Nature Type January 2018</a>
Rate Setting Statement by Program – January 2018	<a href="#">6002B Program January 2018</a>
Rate Setting Statement by Sub-Program – January 2018	<a href="#">6002C Sub Program January 2018</a>
Representation of Net Working Capital – January 2018	<a href="#">6002E January 2018</a>
Reconciliation of Net Working Capital – January 2018	<a href="#">6002F January 2018</a>
Notes on Rate Setting Statement reporting on variances of 10% or \$50,000 whichever is greater – January 2018	<a href="#">6002H January 2018</a>
Details of Budget Amendments requested – January 2018	<a href="#">N/A</a>
Summary of Rates Debtors – January 2018	<a href="#">6002L January 2018</a>
Graph Showing Rates Collections – January 2018	<a href="#">6002M January 2018</a>
Summary of General Debtors aged 90 Days Old or Greater – January 2018	<a href="#">6002 January 2018</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:

**C18/6002 – STATEMENTS OF FINANCIAL ACTIVITY FOR JANUARY 2018 (REC)****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.

**FINANCIAL IMPLICATIONS****Variations**

Variations are dealt with in attachment [6002H January 2018](#) (Notes on Statement of Variations in excess of \$50,000 by Sub-Program).

**C18/6002 – STATEMENTS OF FINANCIAL ACTIVITY FOR JANUARY 2018 (REC)**

**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 January 2018.

**OFFICER RECOMMENDATION AND COUNCIL RESOLUTION (6002)**

**NOTING**

**That the Council:**

- 1. Notes the Rate Setting Statement and Statements of Financial Activity for the month ending 31 January 2018 as detailed in the following attachments:**

<b>DESCRIPTION</b>	<b>LINK</b>
Statement of Financial Activity By Nature and Type – January 2018	<a href="#">6002A Nature Type January 2018</a>
Rate Setting Statement by Program – January 2018	<a href="#">6002B Program January 2018</a>
Rate Setting Statement by Sub-Program – January 2018	<a href="#">6002C Sub Program January 2018</a>
Representation of Net Working Capital – January 2018	<a href="#">6002E January 2018</a>
Reconciliation of Net Working Capital – January 2018	<a href="#">6002F January 2018</a>
Notes on Rate Setting Statement reporting on variances of 10% or \$50,000 whichever is greater – January 2018	<a href="#">6002H January 2018</a>
Details of Budget Amendments requested – January 2018	<a href="#">N/A</a>
Summary of Rates Debtors – January 2018	<a href="#">6002L January 2018</a>
Graph Showing Rates Collections – January 2018	<a href="#">6002M January 2018</a>
Summary of General Debtors aged 90 Days Old or Greater – January 2018	<a href="#">6002N January 2018</a>

There were no budget amendments in January 2018 due to the mid-year budget review being in progress.

At 7:14pm the Mayor submitted the motion, which was declared

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

**LATE ITEM T18/3780 – CO03/18 LEISUREFIT MELVILLE AND AH BRACKS LIBRARY  
REFURBISHMENT (REC) (CONFIDENTIAL ATTACHMENT)**

Ward : Palmyra – Melville - Willagee  
 Category : Operational  
 Subject Index : Tenders  
 Customer Index : City of Melville  
 Disclosure of any Interest : No Officer involved in the preparation of this report has a declarable interest in this matter.  
 Previous Items : Not Applicable  
 Works Programme : Not Applicable  
 Funding : \$3,677,320  
 Responsible Officer : Mario Murphy – Manager City Buildings

**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>

**LATE ITEM T18/3780 – CO03/18 LEISUREFIT MELVILLE AND AH BRACKS LIBRARY  
REFURBISHMENT (REC) (CONFIDENTIAL ATTACHMENT)****KEY ISSUES / SUMMARY**

- To recommend the successful tenderer as considered by the Contract and Tender Advisory Unit (CTAU) in the Confidential Attachment – Evaluation Panel Report for the LeisureFit Melville and AH Bracks Library Refurbishment Project.

**BACKGROUND**

The City of Melville has sought public tenders for a suitably qualified and experienced contractor to undertake the refurbishment of the building which houses AH Bracks Library and LeisureFit Melville.

A business case for the refurbishment of the building, derived from the *Future Plan for Libraries, Museums and Local History 2010 – 2015* and *LeisureFit – Review of Services and Facilities 2016*, was approved by the Executive Management Team and the applicable budget was adopted.

The objective of the refurbishment is to keep pace with current trends in the library and recreation industries, as well as maximising multi-functional space which would attract prospective private sectors operators and increase the number of customers.

Refurbishment is also necessary to relocate the City of Melville Bridge Club (Bridge Club). The Bridge Club currently occupies a highly strategic land asset which the City will be seeking to significantly redevelop in the near future, as it lies within the centre zoning of the Riseley Business Centre precinct. The redevelopment of the current Bridge Club site will be aimed at both generating recurring income streams for the City and encouraging activation in the area. The sooner the Bridge Club can be suitably relocated, the sooner the City can unlock the potential value of that land parcel.

The Contract and Tender Advisory (CTAU) has considered all submitted tenders for CO03/18 LeisureFit Melville and AH Bracks Library Refurbishment Project at the meeting held Thursday 8 March 2018.

**DETAIL****Tender Evaluation**

The City formed an evaluation panel consisting of relevant stakeholders and an independent procurement and probity advisor. This evaluation panel reviewed all tender submissions and prepared an Evaluation Report, identifying a recommended Tenderer.

The Evaluation Report and associated attachments were distributed to Elected Members on Friday 9 March 2018 under confidential cover.

The Evaluation Report was presented to the CTAU for acceptance and recommendation to Council to accept the recommended Tenderer as the most advantageous to the City.

CTAU unanimously carried the acceptance of the recommendation by the Evaluation Panel.

**LATE ITEM T18/3780 – CO03/18 LEISUREFIT MELVILLE AND AH BRACKS LIBRARY  
REFURBISHMENT (REC) (CONFIDENTIAL ATTACHMENT)**

The CTAU Minutes and associated attachments were distributed to Elected Members on Friday 9 March 2018 under confidential cover.

**STAKEHOLDER ENGAGEMENT**

**I. COMMUNITY**

No stakeholder engagement has been required or undertaken for this tender.

**II. OTHER AGENCIES / CONSULTANTS**

Specifications and drawings were prepared by consultants.

**STATUTORY AND LEGAL IMPLICATIONS**

*Local Government (Functions and General) Regulations 1996 Section 3.57 11 (1)* “A Local Government is required to invite tenders before it enters into a contract for another person to supply goods or services”.

Delegated Authority DA-117 Authority to Sign Documents will be exercised to execute the Contract.

**FINANCIAL IMPLICATIONS**

Approved Budget Details	\$3,677,320
Account Cost Centres or Capital Works Project Number	BLD02246
Anticipated expenditure over the term of the contract	As per confidential attachment
Previous financial year expenditure for these services (if applicable)	Not Applicable
Percentage difference between identical rates from an existing or recently terminated contract	Not Applicable
If the budget is exceeded by appointing the proposed contractor a budget amendment proposal must be included in the recommendation and prior review of the amendment undertaken by Finance	Not Applicable, within budget.

**STRATEGIC, RISK AND ENVIRONMENTAL MANAGEMENT IMPLICATIONS**

Strategic implications of these works relate only to the consequences of not carrying out the works. Refurbishment is necessary for the facilities to evolve with current recreational trends in the industry, as well as maximising multi-functional space which would attract prospective operators and increase the number of customers. Refurbishment is also necessary to relocate the Bridge Club.



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**LATE ITEM T18/3780 – CO03/18 LEISUREFIT MELVILLE AND AH BRACKS LIBRARY  
REFURBISHMENT (REC) (CONFIDENTIAL ATTACHMENT)**

Residual risk is present with both the recommended Tenderer and the second most advantageous Tenderer. The recommended Tenderer has an unacceptable departure from the conditions of contract (AS 2124:1992). The second most advantageous Tenderer has a conflict in their project schedule. Contract negotiations will be required to address these risks. Should contract negotiations be unsuccessful with the recommended Tenderer; contract negotiations will then commence with the second most advantageous Tenderer.

The provision of these services has environmental implications in relation to waste materials generated during refurbishment works. The Contractor is responsible for safe storage, removal and disposal from the worksite of all relevant waste materials in a manner acceptable to the Environmental Protection Authority and the WA Health Department.

**POLICY IMPLICATIONS**

1. CP-023 Procurement of Products or Services

**ALTERNATE OPTIONS AND THEIR IMPLICATIONS**

No alternate options have been identified.

**CONCLUSION**

The CTAU is satisfied that the recommended Tenderer demonstrated that they have the relevant experience, capacity to deliver the works and follow a methodology in line with the City's expectations. Subject to successful negotiation of contract terms, the CTAU approve the acceptance of the Evaluation Panel Report recommendation.

**CONTRACT AND TENDER ADVISORY UNIT RESOLUTION (CO0318)****APPROVAL**

**The Contract and Tender Advisory Unit recommends to the Council:**

1. **That the Council accepts the recommendations as contained in the Confidential Attachment – CO0318 CTAU Minutes.**
2. **Upon resolving the recommendations, the successful Tenderer's name and lump sum amount be inserted below this point 2.**

**CARRIED UNANIMOUSLY (4/0)**

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**LATE ITEM T18/3780 – CO03/18 LEISUREFIT MELVILLE AND AH BRACKS LIBRARY  
REFURBISHMENT (REC) (CONFIDENTIAL ATTACHMENT)****CONTRACT AND TENDER ADVISORY UNIT RECOMMENDATION  
AND COUNCIL RESOLUTION (3780)****APPROVAL****That the Council:**

- 1. Accepts the recommendations as contained in the Confidential Attachment – CO0318 Contract and Tender Advisory Unit Minutes.**
- 2. Upon resolving the recommendations, the successful Tenderer's name and lump sum amount be inserted below this point 2:**

**Maintenance and Construction Services Australia Pty Ltd for \$2,743,800**

At 7:14pm the Mayor submitted the motion, which was declared

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

**15. EN BLOC ITEMS**

At 7:14pm Cr Phelan moved, seconded Cr Robins –

**That the recommendations for items M18/5597, M18/5603, T18/3778, M18/5000, C18/6000, C18/6001, C18/6002 and T18/3780 be carried En Bloc.**

At 7:14pm the Mayor submitted the motion, which was declared  
**CARRIED UNANIMOUSLY (12/0)**

*At 7:20pm Cr Woodall left the meeting and returned at 7:23pm.*

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

**16.1 Plastic Bag Ban Initiatives**

At 7:15pm Cr Barling moved, seconded Cr Wieland –

**That the Council:**

- 1) Acknowledges that from 1 July 2018, the State Government will ban lightweight single-use plastic bags in Western Australia. The ban will bring WA in line with the states of SA, TAS, NT and the ACT with QLD also committing to a ban on 1 July 2018<sup>1</sup>.**
- 2) Directs the Chief Executive Officer to consider initiatives that the City may undertake to assist residents and ratepayers in the transition away from single-use plastic bags and report back to Council.**

**Such initiatives could include, but are not limited to:**

- Providing small businesses within the City a small number of City of Melville branded reusable bags at cost or free;**
- Providing ratepayers City of Melville branded reusable shopping bags and reusable produce bags as part of their 2018 rates notice;**
- A presentation and provision of free bags to schools within the City; and**
- Any assistance that may be given to community run initiatives such as Boomerang Bags Willagee.**

At 7:49pm the Mayor submitted the motion, which was declared

**CARRIED (10/2)**

<b>Vote Result Summary</b>	
Yes	10
No	2

**16.1 Plastic Bag Ban Initiatives (Continued)**

<b>Vote Result Detailed</b>	
Cr Barling	Yes
Cr Barton	Yes
Cr Kepert	Yes
Cr Macphail	Yes
Cr Pazolli	Yes
Cr Robins	Yes
Cr Wheatland	Yes
Cr Wieland	Yes
Cr Woodall	Yes
Mayor	Yes
Cr Phelan	No
Cr Robartson	No

Reason for Motion

1. The banning of lightweight single-use plastic bags in Western Australia by the State Government presents the City of Melville with a one-time opportunity to fill the need for reusable carrier bags by residents. If bags were to be provided by the City to residents, not only can they be City of Melville branded they can also have printed information to aid in waste minimisation and steps that the City undertakes in the area.
2. In the February Ordinary Meeting of Council a motion was passed unanimously recognising the 'urgency of the recent import ban of recyclable waste from Australia ... and the triple bottom line impact it could have on the City of Melville' as well as 'the efforts that the City of Melville currently undertakes in implementation, education and advocacy of waste management'. Aiding residents in the transition away from single-use plastic bags acknowledges those parts of the previous month's motion and also shows leadership by the City in this area.
3. Such leadership will have a positive effect on residents giving a ripple effect in their own waste minimisation efforts beyond changing their plastic bag use. One area of great importance to the City in minimising rates is the behaviour change compliance required in the rollout of the FOGO (Food Organics, garden Organics) three bin system if it progresses beyond the trial. Contamination of the FOGO waste stream can prove costly to the City, and thus residents as a whole. One likely source of such contamination is for residents to use non-compostable bags for disposal of their Food Organics waste.
4. Any direct cost of such initiatives listed above would be minimal in comparison to the costs of a full FOGO rollout where residents will be provided with a new 240 litre lime green-lidded FOGO bin, a 140 litre red-topped rubbish bin and a kitchen caddy and compostable bags for their Food Organics waste. The direct cost of such initiatives listed above would also be minimal in comparison to the costs of possible contamination of the FOGO waste stream through failure of complete uptake.

## **16.1 Plastic Bag Ban Initiatives (Continued)**

5. The City of Melville has a diversity of education programs regarding waste with a session coming up next week and also next month at the Piney Lakes Environmental Education as an example.

### **References:**

- <sup>1</sup> Department of Water and Environmental Regulation.

*At 7.49pm Mr Murphy left the meeting and did not return.*

*At 7:49pm Cr Wieland left the meeting and returned at 7.52pm.*

*At 7:56pm Mr Rae left the meeting and returned at 8:02pm.*

## **16.2 Improving Mobile Telephone Reception in Leeming**

At 7:50pm Cr Woodall moved, seconded Cr Robartson –

### **That the Council:**

- 1) Notes that a number of Leeming residents in the area between Beasley Road and Gracechurch Crescent suffer from inadequate or non-existent Telstra mobile telephone reception.**
- 2) Directs the Chief Executive Officer to write to the Chief Executive Officer of Telstra Corporation Ltd. requesting that Telstra:**
  - a. Investigate the lack of Telstra mobile telephone reception in parts of Leeming; and**
  - b. Take action to provide and/or improve such reception as soon as practicable.**

At 8:02pm the Mayor submitted the motion, which was declared

**CARRIED (8/4)**

<b>Vote Result Summary</b>	
Yes	8
No	4

<b>Vote Result Detailed</b>	
Cr Kepert	Yes
Cr Macphail	Yes
Cr Phelan	Yes
Cr Robartson	Yes
Cr Wheatland	Yes
Cr Wieland	Yes
Cr Woodall	Yes
Mayor	Yes
Cr Barling	No
Cr Barton	No
Cr Pazolli	No
Cr Robins	No

## **16.2 Improving Mobile Telephone Reception in Leeming (Continued)**

### Reason for Motion

1. A number of Leeming residents between Beasley Road and Gracechurch Crescent have written to me about the lack of Telstra mobile telephone reception in their area. The coverage is so poor that many residents have no reception in their own homes and are required to walk out onto the street or the other side of the road to get a signal.
2. Residents have contacted Telstra who have acknowledged the 'black spot', but apparently declined to take any further action. At least one resident has spent a significant sum of money attempting to improve their mobile reception.
3. A simple letter from the City of Melville to the CEO of Telstra may be sufficient to draw attention to this issue and cause Telstra to take steps to improve reception. This would provide a significant benefit to residents and ratepayers in the area at almost no cost to the City.

## **16.3 City of Melville Mission Statement**

At 8:03pm Cr Kepert moved, seconded Cr Pazolli –

**That the Council directs the CEO to formulate a mission statement for the City of Melville.**

**Noting that:**

**Only City of Melville Officers are to take part in the formulation of a mission statement.**

**The mission statement will be brought before Council for final approval.**

At 8:18pm the Mayor submitted the motion, which was declared

**LOST (5/7)**

<b>Vote Result Summary</b>	
Yes	5
No	7

<b>Vote Result Detailed</b>	
Cr Barton	Yes
Cr Kepert	Yes
Cr Pazolli	Yes
Cr Robins	Yes
Cr Wheatland	Yes
Cr Barling	No
Cr Macphail	No
Cr Phelan	No
Cr Robartson	No
Cr Wieland	No
Cr Woodall	No
Mayor	No

**16.3 City of Melville Mission Statement**Reason for Motion

The City of Melville lacks a mission statement.

The justification that the City relies on sections of the Local Government Act for its stated purpose is insufficient.

The absence of a mission statement obscures the organisational vision statement and organisational strategies.

Organisational strategies are being used in place of a mission statement which is inappropriate.

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

Nil.

**18. IDENTIFICATION OF MATTERS FOR WHICH MEETING MAY BE CLOSED****P18/3777 – Confidential Item - Murdoch Health and Knowledge Precinct Strategic Property**

*The matter is confidential in accordance with section 5.23 (2) (c) of the Local Government Act 1995, a contract entered into, or which may be entered into, by the local government and which relates to a matter to be discussed at the meeting*

The Confidential Item was distributed to Elected Members on Friday, 2 March 2018 under confidential cover.

At 8:19pm Cr Wieland moved, seconded Cr Barling –

**That the meeting be closed to the public to permit discussion on a confidential matter (Item P18/3777- Murdoch Health and Knowledge Precinct Strategic Property) covered under section 5.23 (2) (c) of the Local Government Act 1995.**

At 8:19pm the Mayor submitted the motion, which was declared

**CARRIED (12/0)**

*At 8:19pm the members of the public gallery were requested to leave the meeting and the doors to the Council Chamber were closed to allow consideration of item P18/3777 – Confidential Item - Murdoch Health and Knowledge Precinct Strategic Property.*

At 8:25pm Cr Barling moved, seconded Cr Phelan –

**That the meeting come out from behind closed doors and the public be invited back into the meeting.**

At 8:25pm the Mayor submitted the motion, which was declared

**CARRIED (12/0)**

**P18/3777 – Confidential Item - Murdoch Health and Knowledge Precinct Strategic Property**

*At 8:25pm the doors to the Council Chamber were reopened and the Mayor advised those present that the Council had endorsed (Carried 9/3) the Officer Recommendation for P18/3777 – Confidential Item - Murdoch Health and Knowledge Precinct Strategic Property as contained in the Confidential Attachment A and that the voting results were follows:*

<b>Vote Result Summary</b>	
Yes	9
No	3

<b>Vote Result Detailed</b>	
Cr Barling	Yes
Cr Kepert	Yes
Cr Macphail	Yes
Cr Phelan	Yes
Cr Robartson	Yes
Cr Robins	Yes
Cr Wheatland	Yes
Cr Wieland	Yes
Mayor	Yes
Cr Barton	No
Cr Pazolli	No
Cr Woodall	No

**19. CLOSURE**

There being no further business to discuss, his Worship the Mayor declared the meeting closed at 8:31pm.