



Minutes

Ordinary Meeting of Council

Wednesday 22 June 2022 6pm



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22 June 2022**



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1. Official opening, welcome and acknowledgment

The Presiding Member declared the meeting open at 6.03 pm and welcomed members of the public to the meeting.

The Presiding Member informed the meeting that the City had received advice that one of our Elders Reverend Sam Dinah passed away last night.

The Presiding Member thanked Uncle Sam for his contribution in the development of the Walyalup Reconciliation Action Plan. Uncle Sam was an active member of the Eldership group here at Walyalup.

2. Attendance, apologies and leave of absence

2.1 Attendance

Ms Hannah Fitzhardinge	Mayor
Cr Andrew Sullivan	South Ward
Cr Marija Vujcic	South Ward
Cr Bryn Jones	North Ward
Cr Adin Lang	City Ward
Cr Jenny Archibald	East Ward
Cr Su Groome	East Ward
Cr Geoff Graham	Beaconsfield Ward
Cr Fedele Camarda	Beaconsfield Ward
Cr Ben Lawver	Hilton Ward
Cr Frank Mofflin	Deputy Mayor/Hilton Ward
Mr Glen Dougall	A/Chief Executive Officer
Mr Matt Hammond	A/Director City Business
Mr Paul Garbett	Director Strategic Planning and Projects
Mr Graham Tattersall	Director Infrastructure
Ms Kylie Lamb	Manager Financial Services
Mr Paul Dunlop	Manager Communications and Events
Ms Charlie Clarke	Manager Governance
Ms Anne-Marie Bartlett	Meeting Support Officer

There were 3 members of the public and no member/s of the press in attendance.

2.2 Apologies

Cr Rachel Pemberton

2.3 Leave of absence

Cr Doug Thompson



3. Applications for leave of absence

COUNCIL DECISION

Moved: Mayor Hannah Fitzhardinge Seconded: Cr Geoff Graham

Mayor Hannah Fitzhardinge request for a leave of absence from 12 July 2022 to 19 July 2022 (inclusive) is approved.

Carried: 11/0

**Mayor Hannah Fitzhardinge, Cr Jenny Archibald, Cr Su Groome, Cr Geoff Graham,
Cr Fedele Camarda, Cr Ben Lawver, Cr Frank Mofflin, Cr Bryn Jones,
Cr Marija Vujcic, Cr Andrew Sullivan, Cr Adin Lang**

COUNCIL DECISION

Moved: Cr Andrew Sullivan

Seconded: Cr Hannah Fitzhardinge

Cr Andrew Sullivan request for a leave of absence from 17 July 2022 to 24 July 2022 (inclusive) is approved.

Carried: 11/0

**Mayor Hannah Fitzhardinge, Cr Jenny Archibald, Cr Su Groome, Cr Geoff Graham,
Cr Fedele Camarda, Cr Ben Lawver, Cr Frank Mofflin, Cr Bryn Jones,
Cr Marija Vujcic, Cr Andrew Sullivan, Cr Adin Lang**

4. Disclosures of interest by members

Cr Andrew Sullivan declared an impartiality interest in item number FPOL2206-10. Cr Sullivan is a member of the football club. Cr Sullivan stated that he was confident that he could maintain impartiality during consideration of this item and would remain in the meeting.

Cr Geoff Graham declared an impartiality interest in item number FPOL2206-10. Cr Graham is a member of the football club. Cr Graham stated that he was confident that he could maintain impartiality during consideration of this item and would remain in the meeting.

Cr Fedele Camarda declared an impartiality interest in item number FPOL2206-10. Cr Camarda is a member of the football club. Cr Camarda stated that he was confident that he could maintain impartiality during consideration of this item and would remain in the meeting.



5. Responses to previous public questions taken on notice

The following questions were taken on notice at the Ordinary Meeting of Council held on 25 May 2022

Kersten Norlin made a statement and asked questions in relation to matters not on the agenda, a summary of these questions and responses is included below:

Question 1

How much does it cost the Council to run Stevens [Reserve] every year?

Response

The City spends approximately \$35,000 on the maintenance of turf and irrigation annually at Stevens Reserve.

In addition to these items there is the scheduled inspections and reactive maintenance is provided by City staff to the following areas:

- Playground equipment
- Dog exercise equipment
- Playground and carpark surrounds
- Stevens St and Swanbourne St verges

Additionally, the City contributes \$55,000 p/a to the Stevens Reserve Joint Management Committee for grounds maintenance for the cricket and hockey fields which is used for the employment and associated costs of a specialist ground curator.

Question 2

How much of that cost is borne by the rate payers vs. other parties such as the cricket club?

Response

As above, the City contributes \$55,000 p/a to the Stevens Reserve Joint Management Committee (JMC) for grounds maintenance for the cricket and hockey fields which is used for the employment and associated costs of a specialist ground curator.



All other maintenance costs associated with the cricket ovals, wickets and hockey fields not covered by the \$55,000 contribution are borne by the Stevens Reserve JMC. Research into the open market approximately 3-4 years ago indicated that to subcontract the maintenance works undertaken by the Stevens Reserve JMC would cost in the order of \$110,000 - \$130,000 per annum.

Question 3

Why has there been no community consultation on this decision [to install open gates at Stevens Reserve]?

Response

Refer to response to Question 4 below.

Question 4

Can we establish a process to gather community consultation that will be taken into consideration prior to that decision being made?

Response

The City is currently finalising the community engagement for Virginia Ryan which will provide contextual information for dog exercise at Stevens Reserve.

6. Public question time

Nil

7. Petitions

Nil



8. Deputations

8.1 Special deputations

Joe and Tom Fisher from Clancy's Fish Pub presented a special deputation to Council proposing development of Princess May Park and asking how they could best progress their proposal, which is anticipated to include the following:

- Localised indigenous theming including dual naming and native gardens in line with Noongar seasons.
- Decorative tree lighting.
- Nature play park installation.
- Security.

The Fishers stated that they would like to create an activated space that acts as a safe corridor into the City and described the historical importance of the park and existing importance as a central green space in the eastern part of the City.

The Fishers also advised that they had already engaged with the Fremantle Education Centre, DADAA, the Mayor, City of Fremantle officers, and Josh Wilson on their proposed development of the park.

8.2 Presentations

Nil

9. Confirmation of minutes

COUNCIL DECISION

Moved: Mayor Hannah Fitzhardinge Seconded: Cr Frank Mofflin

Council confirm the minutes of the Ordinary Meeting of Council dated 25 May 2022.

Carried: 11/0

**Mayor Hannah Fitzhardinge, Cr Jenny Archibald, Cr Su Groome, Cr Geoff Graham,
Cr Fedele Camarda, Cr Ben Lawver, Cr Frank Mofflin, Cr Bryn Jones,
Cr Marija Vujcic, Cr Andrew Sullivan, Cr Adin Lang**



10. Elected member communication

Mayor Hannah Fitzhardinge informed the meeting that on Monday night she had hosted an ICAN (International Congress against Nuclear Weapons) Meeting as the lead 'Mayor for Peace' for the Oceania region and a long-term member of Mayors for Peace. Mayor Fitzhardinge advised that the meeting was livestreamed to Vienna where there was a meeting of the parties who are signatories to the International Treaty to ban nuclear weapons being held.

Mayor Fitzhardinge stated that it is significant that the Australian Government had sent a delegation to Vienna to be an observer of that meeting, as it seems that perhaps steps are being taken towards ratifying that international treaty. Local federal member Josh Wilson, who spoke on the issue, as well as Jordon Steele-John, the Greens Senator for Western Australia, Jo Vallentine, former WA Senator, and a large number of local members, who are a part of the peace movement were also in attendance.

Mayor Fitzhardinge also informed the meeting that Kerry Hill Architects had won the top prize and more at the Australian Institute of Architects WA Awards in relation to the design of the Walyalup Civic Centre:

The following prizes were awarded:

- George Temple Poole Award
- Julius Elischer Award for Interior Architecture
- Jeffrey Howlett Award for Public Architecture
- John Septimus Roe Award for Urban Design

Mayor Fitzhardinge stated that the Heritage Architecture Award was won for the works on the Fremantle Town Hall by Hocking Heritage and Architecture.

Mayor Fitzhardinge advised that the City had hosted a tour of the Walyalup Civic Centre yesterday, 22 July, for the Office of the Government Architect.

11. Reports and recommendations from committees

11.1 Planning Committee 1 June 2022

Nil



11.2 Finance, Policy, Operations and Legislation Committee 8 June 2022

FPOL2206-5 MEETING PROCEDURES POLICY REVIEW

Meeting date:	8 June 2022
Responsible officer:	Manager Governance
Decision making authority:	Council
Attachments:	1. Meeting Procedures policy with proposed changes shown in red and green.
Additional information:	Nil.

SUMMARY

This report is for Council to consider the review of the City's Meeting Procedures and the recommendation that it is amended.

BACKGROUND

The City's Meeting Procedures are reviewed following each ordinary election to ensure that the new Council supports the policies that have been adopted by a previous council and to ensure their currency at the beginning of the term.

This policy may also be amended to reflect contemporary practices, changes in legislation and Council direction, whilst clarifying working requirements. A detailed report is provided below to inform Council where amendments have been recommended

FINANCIAL IMPLICATIONS

There were no financial implications identified as a result of this report.

LEGAL IMPLICATIONS

There is no legal or statutory requirement for Council to adopt the policies. Policies are not legally enforceable; however they provide guidance to the City's administration and Council members when considering various matters.

CONSULTATION

Elected Members were given an opportunity to provide feedback during review of the elected member policies.

It is considered that community consultation is unnecessary in this instance as the proposed policies apply to and affect only the elected members and the Chief Executive Officer and not the broader community.



OFFICER COMMENT

The meeting procedures policy contains rules for the conduct of the proceedings at council and committee meetings. Their purpose is to enable council and committees to exercise their decision-making responsibilities in a transparent, inclusive and consistent manner.

The meeting procedures policy provides for

- (a) better decision making by the Council and committees.
- (b) the orderly and efficient conduct of Council and committee meetings; and
- (c) greater understanding by the community of the way in which the Council and its committees conducts its meetings and makes decisions.

This was previously flagged for potential conversion to a local law, however given the State Governments proposal to introduce a standard law to cover all LG’s meeting procedures it is not considered time effective at this point to continue down that road.

Council has previously expressed an interest in developing a meeting procedures local law consistent with other local governments. However, given recent news of proposed local government reform and the possible introduction of a set of meeting procedures meant to apply State-wide, it is not considered time effective at this point to continue down that road.

Minor amendments are recommended at this time to ensure the policy continues to meet the requirements of council while awaiting the outcome of reform.

Summary of proposed changes		
Section	Suggested change	Reason
N/A	Update template and formatting and correct any spelling or grammatical errors	To align with City Documents and improve readability and correct grammatical errors
Title	Remove dates from title where relevant	As document is regularly reviewed/amended.
4.3 - Notices of motions	Amend section 4.3(7) as follows: (7) A motion is to be presented in the first instance to an ordinary meeting of council, is to be referred to the appropriate committee for consideration before final determination by council.	This provision is a little unwieldy, and sometimes misunderstood. The intention was that motions presented by elected members are debated at a committee before being determined



	<p>(a) Unless the presiding member may determine has approved that the notice of motion may be presented directly to council if they consider the subject of the motion to be time sensitive.</p>	<p>by council wherever possible.</p> <p>But there are instances when this may not be convenient - for timeliness considerations and for scheduling considerations during reduced meetings over Christmas</p>
Part 5 - Public participation	<p>Amend the title of this section as follows: Part 5- Public participation at meetings not being held electronically</p>	<p>To clarify that electronic meetings will have different provisions relating to them for public participation.</p>
Add to part 5	<p>Include new section 5.15 as follows:</p> <p>5.15 Petitions</p> <p>(1) A petition is to -</p> <ul style="list-style-type: none"> (a) be addressed to the Mayor (b) be made by electors of the district; (c) state the request on each page of the petition; (d) contain the name, address and signature of each elector making the request, and the date each elector signed; (e) contain a summary of the reasons for the request; and (f) state the name of the person to whom, and an address at which, notice to the petitioners can be given. <p>(2) Upon receiving a petition, the Chief Executive Officer will nominate an officer who will be responsible for investigating the matter. The responsible officer will inform the petition initiator of the action proposed in dealing with their petition and inform Elected Members of the outcome. This may involve preparing a detailed report for Council consideration.</p>	<p>To clarify the expected format when submitting a petition and that the CEO will distribute all petitions to elected members, but will determine if a report to council is necessary.</p>



	<p>(3) At any meeting, the Council is not to vote on any matter that is the subject of a petition presented to that meeting, unless:</p> <p>(a) the matter is the subject of a report included in the agenda; and</p> <p>(b) the Council has considered the issues raised in the petition.</p>	
5.7 Other procedures for question time for the public	<p>Amend 5.7(2) as follows:</p> <p>(2) A member of the public who wishes to ask a question or make a statement during question time must –</p> <p>(a) first state their name and Suburb;</p> <p>(b) direct the question or statement to the presiding member;</p> <p>(c) ask the question or make the statement briefly and concisely;</p>	Not necessary or current practise.
9.7 Alternative recommendations and amendments	<p>Delete clause 9.7(4) as follows and renumber the following clauses appropriately:</p> <p>(4) — Amendments or alternative motions that are moved at a committee meeting without notice being given in accordance with section 9.7(2) will be referred to council for final determination.</p>	Unnecessary as delegated committees are authorised to determine motions in the same way that council would and committees without delegation have all motions referred through council.
10 Procedural Motions	<p>Delete clause 10.3(1) as follows and renumber the following clauses appropriately:</p> <p>10.3 Who may move</p> <p>(1) — A member who has moved, seconded, or spoken for or against the substantive motion, or any amendment to the substantive motion, cannot move any procedural motion which, if carried, would close the debate on the substantive motion or amendment.</p>	Sometimes debate on a substantive motion is what leads to a procedural motion.
11.1 Disclosure of Interests	<p>Delete the reference to expired legislation in 11.1(1) as follows:</p> <p>11.1 Disclosure of interests</p>	Rules of Conduct Regs were repealed when the Model Code of Conduct Regulations came into effect.



	<p>(1) The requirements for members and employees to disclose financial and other interests, the nature of the interests that must be disclosed, and related matters are dealt with in the Act (s5.60 & 5.61), the Regulations (part 6), the Rules of Conduct Regulations (r11).</p>	
<p>16.2 Presentation of Committee reports</p>	<p>Amend clause 16.2 as follows:</p> <p>16.12 Presentation of committee reports</p> <p>(1) The proposed adoption by council of recommendations of a committee is to may be moved –</p> <p>(a) if the presiding member of the committee is a council member and is in attendance – by the presiding member;</p> <p>(b) if the presiding member of the committee is not a council member or is absent – by a member of the committee who is also a council member; or</p> <p>(c) otherwise – by a council member who is not a member of the committee the presiding member of the council meeting</p>	<p>For clarification and to allow flexibility for the chairs and committee members to request that the mayor move the recommendations which allows for a more fluid meeting</p>
<p>Part 2A Electronic meetings of Council</p>	<p>Insert new “Part 2A Electronic meetings of Council” as follows:</p> <p>Meetings of council may be attended and or held electronically in accordance with the Local Government (Administration) Regulations 1996. The following guide applies primarily when electronic meetings are held. However elected members will be expected to follow the appropriate provisions of the guide when attending a public meeting electronically.</p> <p>1. Format for electronic meetings</p> <p>(a) The Mayor is to determine the electronic meeting method and is to notify the CEO of this in writing, in accordance with regulations 14D (3) & (4).</p>	<p>Council adopted this wording as its ‘electronic meeting guide’ at the OCM 23 March 2022. This is intended to formalise and include it within the city’s meeting procedures.</p>



	<p>(b) Notice of the electronic meeting is to be provided on the City’s website.</p> <p>(c) Meetings that are ordinarily open to the public will be live Streamed.</p> <p>2. Public questions time</p> <p>(a) Meetings that are ordinarily open to the public will include a time for public questions and statements.</p> <p>(i) Members of the public are invited to submit questions or statements in writing to the City prior to 1pm on the day of the meeting at which they would like them to be raised.</p> <p>(ii) Questions / statements are to be submitted to the City in a format as specified by the Chief Executive Officer.</p> <p>(iii) Questions / statements at Council Meetings can relate to any matter affecting the City.</p> <p>(iv) Questions / statements at Special Council Meetings and Committee meetings must relate to items on the agenda for that meeting.</p> <p>(v) You will be required to attend the meeting electronically to ask a question or make a statement.</p> <p>(vi) Responses to questions will be provided in the next relevant meeting Agenda.</p> <p>3. Conflicts of interest</p> <p>(a) Elected Members must complete disclosure of interest forms and submit via email, to the Agendas and Minutes Team, by 3pm on the day of the meeting.</p> <p>4. Procedures for elected members</p> <p>(a) before leaving the electronic meeting an elected member is to raise their hand or indicate in the ‘chat’ facility of the meeting, wait for verbal acknowledgement from the Presiding Member.</p> <p>(b) Elected members who have disclosed an interest in an item and cannot vote must leave the electronic meeting in the same manner as set out in (a) above.</p>	
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	<p>The Presiding Member will verbally confirm that the Elected Member has disclosed a financial or proximity interest in the item and cannot participate in the discussion and / or vote and has left the videoconference for the item.</p> <p>(c) When returning to the electronic meeting, elected members must wait for the Presiding Member to acknowledge their return, by verbally confirming that the elected member has returned to the electronic meeting.</p> <p>(d) Elected Members must raise their hand or indicate in the 'chat' facility of the meeting and wait for verbal acknowledgement by the Presiding Member if they wish to:</p> <p>(i) request to speak on an item (ii) move, second or vote on an item</p> <p>5. Matters behind closed doors (a) Council may pass a motion to go behind closed doors. When this occurs any broadcasting of the meeting will cease.</p>	
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VOTING AND OTHER SPECIAL REQUIREMENTS

Absolute majority required

OFFICER'S RECOMMENDATION

Moved: Cr Jenny Archibald

Seconded: Cr Rachel Pemberton

Council:

- 1. Adopt the Meeting Procedures at attachment 1.**
- 2. Approve minor amendment that does not change the effect or intent of the policy, (i.e., branding and corrections considered appropriate by the administration) without further approval from Council.**



AMENDMENT

Moved: Cr Rachel Pemberton

Seconded: Mayor Hannah Fitzhardinge

Council:

- 1. Adopt the Meeting Procedures at attachment 1**
 - a. Including amendment to new section part 5.15 (3) to read as follows:**

5.15 Petitions

(3) ~~At any meeting,~~ The Council ~~is not to~~ can only vote on any matter that is the subject of a petition presented to that meeting, if unless:

- (a) the matter is the subject of a report included in the agenda; and**
- (b) the Council has considered the issues raised in the petition.**

- 2. Approve minor amendment that does not change the effect or intent of the policy, (i.e., branding and corrections considered appropriate by the administration) without further approval from Council.**

Amendment carried: 7/0

**Mayor Hannah Fitzhardinge, Cr Jenny Archibald, Cr Fedele Camarda
Cr Marija Vujcic, Cr Rachel Pemberton, Cr Frank Mofflin, Cr Bryn Jones**

Reason for Change:

To clarify understanding by removing a double negative.



COUNCIL DECISION ITEM FPOL2206-5
(Committee recommendation)

Moved: Mayor Hannah Fitzhardinge

Seconded: Cr Jenny Archibald

Council:

- 1. Adopt the Meeting Procedures at attachment 1**
 - a. Including amendment to new section part 5.15(3) to read as follows:**

5.15 Petitions

- (3) The Council can only vote on any matter that is the subject of a petition presented to that meeting, if:**
 - (a) the matter is the subject of a report included in the agenda;**
 - and**
 - (b) the Council has considered the issues raised in the petition.**
- 2. Approve minor amendment that does not change the effect or intent of the policy, (i.e., branding and corrections considered appropriate by the administration) without further approval from Council.**

Carried: 11/0

**Mayor Hannah Fitzhardinge, Cr Jenny Archibald, Cr Su Groome, Cr Geoff Graham,
Cr Fedele Camarda, Cr Ben Lawver, Cr Frank Mofflin, Cr Bryn Jones,
Cr Marija Vujcic, Cr Andrew Sullivan, Cr Adin Lang**



FPOL2206-6 COUNCIL CODE OF CONDUCT DIVISION 3 COMPLAINT HANDLING POLICY REVIEW

Meeting date:	8 June 2022
Responsible officer:	Manager Governance
Decision making authority:	Council
Attachments:	<ol style="list-style-type: none">1. Proposed - Council Code of Conduct Division 3 Complaint Handling Policy2. Complaint about alleged breach form
Additional information:	<ol style="list-style-type: none">1. Current - Council Code of Conduct Division 3 Complaint Handling Policy

SUMMARY

This report is for Council to consider the review of the Council Code of Conduct Division 3 Complaint Handling Policy and the recommendation that it is amended.

BACKGROUND

At the Ordinary Council Meeting held on 27 May 2022 Council determined to refer consideration of the review of its Council Code of Conduct Division 3 Complaint Handling to the next Finance, Policy, Operations and Legislation Committee, to be held on 8 June 2022, to enable councillors to have more time to review the policy.

At the Ordinary Council Meeting held on 26 May 2021 Council adopted the City's Council Members, Committee Members and Candidates Code of Conduct, incorporating the model code as required by the *Local Government (Model Code of Conduct) Regulations 2021* (Model Code).

Clause 11 of that Code of Conduct outlines a broad process for dealing with complaints regarding the behaviour of elected members and candidates under division 3. However, the Code leaves it open for council to determine the most appropriate and effective process for how this is undertaken.

The City adopted its current Council Code of Conduct Division 3 Complaint Handling Policy on 23 June 2021 and the policy was first tested when the City received two complaints at the end of 2021.

During the assessment and determination of these complaint reports council raised some concerns about the current policy and requested that some changes were made:

- to encourage attendance at mediation before progressing the complaint through more formal processes and
- to make copies of any investigation reports to be made available to the relevant parties and on the City's web site.



The current policy outlines a process where all complaints are received by the City's Complaints Officer, are investigated by an independent and legally trained consultant (investigator) who will provide an opportunity for mediation between the parties and then a determination on the outcome of the complaint and a recommendation relating to any further action required, to be considered by council.

FINANCIAL IMPLICATIONS

The cost to assess and determine division 3 behavioural complaints as outlined in the current policy would include the appointment of an external complaint investigator to assess each complaint and produce a report for consideration by council.

These external investigations are estimated to cost between \$2000 and \$6000 depending on the nature of the complaint and the cost of officer time to liaise and consult with the investigator

Under the proposed policy it is intended that complaints that are straight forward and of a minor nature will be dealt with by the City's existing complaints officer and/or in conjunction with the Chief Executive Officer and only complex or contentious (i.e. a conflict exists) complaints will be referred to an external investigator.

LEGAL IMPLICATIONS

Clause 11 of the Local Government (Model Code of Conduct) Regulations 2021 includes a complaints mechanism for the council of a local government to consider and determine the outcome of certain behavioural complaints relating to its elected members.

CONSULTATION

Elected Members were given an opportunity to provide feedback during review of this policy.

OFFICER COMMENT

The *Local Government (Model Code of Conduct) Regulations 2021* includes the following basic principles that must form the basis of any policy adopted to deal with Division 3 Complaints.

The City's 'Council Code of Conduct Division 3 Complaint Handling policy' then determines the most appropriate and effective process to apply these principles.



Principles:

Complaint about alleged breach

- A complaint must be made in writing in the form approved by the local government to an authorised person within 1 month of the occurrence of the alleged breach.

Dealing with complaint

- After considering a complaint, the local government must, unless it dismisses the complaint (only if related to behaviour at a meeting) or the complaint is withdrawn by the complainant, make a finding as to whether the breach has occurred.
- The person to whom the complaint relates must be given a reasonable opportunity to be heard, and a finding that a breach has occurred must be based on evidence that it is more likely that the breach occurred than that it did not occur.
- If the local government finds that a breach has occurred, it may —
 - take no further action; or
 - prepare and implement a plan to address the behaviour (in consultation with the person to whom the complaint relates) which may include 1 or more of the following requirements —
 - engaging in mediation.
 - undertaking counselling.
 - undertaking training.
 - other action considered appropriate.
- If the local government makes a finding the person to whom the complaint relates, must be given written notice of its finding and the reasons for its finding; and if its finding is that the breach occurred — what action is to be taken.

Dismissal of complaint

- The local government may only dismiss a complaint if the behaviour occurred at a council or committee meeting; and
 - the behaviour was dealt with by the person presiding at the meeting; or
 - the person responsible for the behaviour has taken remedial action in accordance with the local governments meeting procedures local law.
- If the local government dismisses a complaint, it must give both parties, written notice of its decision and the reasons for its decision.

Withdrawal of complaint

- A complainant may withdraw their complaint at any time before the local government makes a finding in relation to the complaint. The withdrawal must be in writing; and given to an authorised person.



Other provisions about complaints

- A complaint about an alleged breach by a candidate cannot be dealt with by the local government unless the candidate has been elected as a council member.
- The procedure for dealing with complaints may be determined by the local government to the extent that it is not provided for in this Division

Proposed changes

This policy was recently engaged for the first since adoption and was not considered by officers or elected members (as noted above) to meet expectations in terms of ease of use, financial implications of use and timeliness.

Having considered councils feedback and further amendment in consultation with elected members, it is considered that a replacement policy will better meet the needs of all parties when addressing these minor behavioural complaints. Including concerns relating to timeliness, expense and the preference for mediation.

The proposed policy intends that division 3 complaints will be considered in the first instance by one of the City's complaints officers (Manager Governance and CEO) who will encourage and recommend mediation between the parties as a first step.

In addition, complaints will not automatically be referred to an external investigator and will only incur that, expense and delay, as recommended by a complaints officer who considers the complaint to be of a complex or potentially contentious nature or if the complaints officer has a conflict or perceived conflict of interest.

The outcome of all complaints, regardless of how they are considered, will be reported to council so that council will retain oversight and can make amendments to the process at any time if not satisfied:

- Complaints that are withdrawn through mediation, or otherwise, will be reported anonymously (e.g., "4 complaints were received and successfully mediated to a positive outcome").
- Complaints finalised by the Complaints Officer will be reported for information and oversight purposes (investigation reports will be prepared in the same way an external investigator would prepare a report.
- Complaints assessed by an external investigator will be determined by council.

It is intended that complaints officers will undertake mediation training where it is considered appropriate by the Chief Executive Officer.



It should be noted that there are three processes through which complaints about elected members may be addressed.

This policy is aimed at addressing those complaints that have been determined as “behavioural” and as less serious than either a minor breach complaint or a serious breach complaint under the *Local Government Act 1995*.

1. “code of conduct “Division 3” behavioural breaches” determined by the local government. **(The subject of this policy).**
2. “minor breach offences” determined by the Department of Local Government’s three-member Standards Panel.
3. “serious breach offences” determined by the State Administrative Tribunal (SAT) (through the Department of Local Government).

VOTING AND OTHER SPECIAL REQUIREMENTS

Absolute majority required

COUNCIL DECISION ITEM FPOL2206-6 **(Committee recommendation)**

Moved: Mayor Hannah Fitzhardinge Seconded: Cr Jenny Archibald

Council:

1. **Adopt the proposed Council Code of Conduct Division 3 Complaint Handling Policy (Attachment 1)**
2. **Approve the complaints lodgement form (Attachment 2).**

Carried: 11/0

**Mayor Hannah Fitzhardinge, Cr Jenny Archibald, Cr Su Groome, Cr Geoff Graham,
Cr Fedele Camarda, Cr Ben Lawver, Cr Frank Mofflin, Cr Bryn Jones,
Cr Marija Vujcic, Cr Andrew Sullivan, Cr Adin Lang**



**FPOL2206-7 ADOPTION OF THE CITY OF FREMANTLE CAT
MANAGEMENT AMENDMENT LOCAL LAW 2022**

Meeting date:	8 June 2022
Responsible officer:	Manager Governance
Decision making authority:	Council
Attachments:	<ol style="list-style-type: none">1. Proposed City of Fremantle Cat Management Amendment Local Law 2022 - showing DLGSC minor edits in red text.2. Table of Submissions3. Australian Pet Welfare Foundation Submission
Additional information:	<ol style="list-style-type: none">1. Consolidated Cat Management Local Law with changes indicated in red and green text

SUMMARY

This report is for council to consider the adoption of the City of Fremantle Cat Management Amendment Local Law 2022.

It is recommended that Council consider the submissions received and adopt one of two, City of Fremantle Cat Management Amendment Local Law 2022.

BACKGROUND

On 13 May 2020 Council adopted the City’s Cat Management Local Law 2020 which came in effect in June 2020 following its Gazettal on the 25 May 2020. At the Ordinary Council Meeting held on 24 November 2021 council supported a motion moved by Cr Lang as follows:

“Council supports current initiatives to improve cat and wildlife safety by amending the City of Fremantle Cat Management Local Law to expand cat prohibited areas on all City owned and managed property and consider including nuisance provisions that are consistent with the controls provided by the Cat Act 2011.”

At the Finance, Policy, Operations and Legislation Committee held on 9 February 2022, Council resolved to give notice of its intention to make a City of Fremantle Cat Management Amendment Local Law 2022 and to consider the submissions received.

The City’s local law already contained provisions in respect to areas from which cats may be prohibited by the City and it was proposed that these areas be expanded through amendment of Schedule 3.



The City's local law does not currently include provisions relating to nuisance and it was proposed that, in addition to including a new clause dealing with nuisance that an interpretation on nuisance be included.

FINANCIAL IMPLICATIONS

Increases to service levels required by the Community Safety Team may occur to accommodate oversight of larger numbers of cat prohibited areas. Increased service provision will incur additional staffing costs for the City.

LEGAL IMPLICATIONS

Section 3.5 of the Local Government Act 1995 confers the legislative function of local government to make local laws under the Local Government Act 1995 in addition to the legislative power to make local laws conferred on local governments by any other written law. A local law made under this section, is inoperative to the extent that it is inconsistent with the Local Government Act 1995 or any other written law.

Regulation 3 of the Local Government (Functions and General) Regulations 1996 requires that for the purposes of Section 3.12 of the Local Government Act 1995, the purpose and effect of any proposed local law must be included in the agenda and minutes of a meeting.

If Council resolves to amend a local law, the procedure is the same as the procedure for making a local law and is set out in Section 3.12 of the Local Government Act 1995, as summarised below:

- Council initiate process - s3.12(2)
- Public notice – s3.12(3)
- Notification to Minister - s3.12(3)(b)
- Considering Submissions – s3.12(4)
- Gazettal notice – s3.12(5)
- Public notice – s3.12(6)
- Explanatory Memoranda – s3.12(7)
- Commencement of local law - s3.14
- Review by government (Joint Standing Committee) - s3.17



CONSULTATION

Notice and invitation to make a submission on the proposed amendment local law was given as follows:

- Fremantle herald on 19 February 2022
- My Say Freo 18 February – 11 April 2022
- City notice boards from 18 February – 11 April 2022
- Sent to the Minister for Local Government 24 February 2022

At the closing date for receipt of public submissions on Monday 11 April 2022, **114** public submissions on the proposed amendment local law had been received. Of those submissions 73 (64%) submissions supported the proposed amendment and 39 (34.2%) submissions did not support the proposed amendment.

A total of **103 of the 114** submissions received were made by Fremantle residents, of which 59 (57%) supported the proposed amendment and 36 (35%) did not support the proposed amendment (the remaining 8% were unclear submissions from Fremantle residents).

Attached to this report is a copy of all submissions received during the consultation period, listed by suburb. A copy of an additional letter of submission from the Australian Pet Welfare Foundation is also attached for consideration.

OFFICER COMMENT

Of those submissions that oppose the proposed amendment some supported the objectives of the amendment and suggested that the provisions should be less restrictive.

Some common themes among submissions are as follows:

- Should only apply to newly registered cats going forward
- Cats should be managed in the same way that dogs are
- How is cat to be transported to vet if they cannot be on roads and footpaths under any circumstances
- Concern over increased instances of rats in the city if cats cannot catch them
- Calls for even stronger controls than those proposed
- That the confinement proposals are too broad and should only apply at night/in natural areas and not on footpaths/verges.
- That there is very little wildlife living in such urban areas.
- That the proposals are cruel and too stressful for cats used to roaming.



- That cats are perfectly content to live within the boundaries of a property.
- That cat owners who cannot afford to confine their cats or live in rented accommodation and cannot make changes to the property may be unfairly impinged.
- The City should offer financial support for cat owners to comply if the proposal goes ahead.
- Alternatives to confinement such as 'catbibs' or large colourful 'bird-safe' collars and bells to prevent hunting should be considered.

As required by the Act, the Department of Local Government, Sport and Cultural Industries was provided with a copy of the proposed amendment local law, and has provided the following feedback:

1. A recommendation that minor typographical changes be made. These changes will have no impact on the application of the local law and have been included as recommended.
2. A suggestion that the City change the proposed amendment local law to remove its clause to ban cats from all areas owned or controlled by the City or alternatively that the City reduce the number of City properties to which the local law is intended to apply:

"Banning cats from public areas

The Delegated Legislation Committee has formed the view that while the Cat Act permits local laws that prohibit cats absolutely from specified areas, it does not contemplate local laws that:

- *ban cats from all public areas;*
- *place conditions on when a cat may be permitted in a public area; or*
- *attempts to restrict all cats in the district to their owner's premises.*

Clause 7 appears to amend the City's local law so that instead of banning cats from a list of specific areas, it will instead ban cats from all areas owned or controlled by the City.

Depending on how this phrase is interpreted, this could include any land managed by the city including facilities, parks and even public road reserves. It is highly likely that the Committee will interpret this as an attempt to ban cats from public areas.

It is suggested that clause 7 be deleted and the relevant item removed from Schedule 3. If this clause isn't removed, it is likely the Committee will request an undertaking to delete it.

Alternatively, the City might consider limiting the clause to only apply to City facilities or consider adding additional properties to the list in the original local law.'



In the report to the Finance, Policy, Operations and Legislation Committee held on 9 February 2022, for Council to propose the amendment to this local law, it was noted that previous attempts by local government to ban cats from public areas had been unsuccessful and therefore it was not clear if the format of the city’s proposed amendment would raise objections with the Joint Standing Committee on Delegated Legislation.

As shown above, the Department of Local Government and Cultural Industries has provided similar feedback.

In response to this advice and the suggestion made by the Department, an alternative recommendation to the proposed Cat Management Amendment Local Law 2022 is provided below to reduce the areas to be included as “Cat Prohibited Areas” in its proposed amendment local law to include the City’s ‘green’ areas. It is suggested that the alternative schedule of cat prohibited areas include all of the parks in the City (the orange shaded areas shown those natural areas currently listed as Cat Prohibited Areas).

The alternative recommendation can be considered a minor change to the intention of the local law as it does not create any greater restriction or impact than the original proposed amendment, and therefore will not cause council to have to re-start the process of advertising.

ALTERNATIVE OFFICER RECOMMENDATION

Council:

1. considers the submissions received during the consultation period for the proposed City of Fremantle Cat Management Amendment Local Law 2022
2. adopt the proposed City of Fremantle Cat Management Amendment Local Law 2022 as shown in attachment 1 with the amended Schedule 3 Cat prohibited Areas as shown below.

The purpose and effect of which is as follows:

Purpose: To exercise the control of cats, powers which exist under the Cat Act 2011.

Effect: To better control nuisance cats and expand the prescribed areas in which cats are prohibited.

Schedule 3		
Cat Prohibited Areas		
[clause 2,1]		
Places where cats are prohibited –		
#	Common Name	Location

**Minutes – Ordinary Meeting of Council
22 June 2022**



1	Alfred Park	Alfred Rd, North Fremantle
2	Bathers Beach Reserve/ Arthur Head Reserve	Phillimore St, Fremantle
3	Beach Reserve	Beach St, Fremantle
4	Beacy Park	McCleery St, Beaconsfield
5	Booyeembara Park	80 Montreal St, Fremantle
6	Bruce Lee Reserve	South St, Beaconsfield
7	Burford Reserve 1	1 Burford Pl, North Fremantle
8	Burford Reserve 2	17 Burford Pl, North Fremantle
9	Cantonment Hill Reserve	Queen Victoria St, Fremantle
10	Collick Reserve	Collick St, Hilton
11	Coral Park	Coral St, South Fremantle
12	Cypress Hill	64 Harvest Rd, North Fremantle
13	Cypress Hill POS	6 Cypress Ln, North Fremantle
14	Davies Reserve	Amherst St, White Gum Valley
15	Davis Park	Edgar Ct, Beaconsfield
16	Douglas Park	Douglas St, Fremantle
17	Dublin PAW	The Cutting, North Fremantle
18	East Street Jetty	Beach St, Fremantle
19	Edmund Reserve	Edmund St, Fremantle
20	Edwards College Reserve	College Cnr, O'connor
21	Everybody's Park	Jackson St, North Fremantle
22	Florence Park	Marine Terrace, South Fremantle
23	Frank Gibson Park (G)	Forrest St, Fremantle
24	Fremantle Oval	Ellen St, Fremantle
25	Fremantle Park	4 Ellen St, Fremantle
26	Fremantle Primary School Park	19 Brennan St, Fremantle
27	Fremantle Public Golf Courses	Montreal St, Fremantle
28	Gilbert Fraser Reserve	21 John St, North Fremantle
29	Gold Park	19 Francisco St, South Fremantle
30	Gordon Dedman Park	6 Thompson Rd, North Fremantle
31	Griffiths Park	Nicholas Cr, Hilton
32	Grigg Park	Snook Cr, Hilton
33	Harvey Beach	Harvest Rd, North Fremantle
34	Hicks Park	Hicks St, North Fremantle
35	Hilton Park	311 Carrington St, Beaconsfield

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22 June 2022**



36	Hines Park	Hines Rd, O'Connor
37	Holland Park	Holland St, Fremantle
38	Hollis Park	South Beach Promenade, South Fremantle
39	Horrie Long Reserve	Forrest St, Fremantle
40	Jarvis Park	30 Jarvis St, O'Connor
41	Knutsford Reserve	Knutsford St, Fremantle
42	Leighton Beach	14 Leighton Beach Bvd, North Fremantle
43	Leighton Beach Reserve	Port Beach Road, North Fremantle
44	Leighton Park 1	1 Leighton Beach Bvd, North Fremantle
45	Leighton Park 2	25 Leighton Beach Bvd, North Fremantle
46	Lillydale Park	Dale St, South Fremantle
47	Lookout Park	12 College Cnr, O'connor
48	McCabe Park	16 Harvest Rd, North Fremantle
49	Mills and Wares Park	17 Jenkin St, South Fremantle
50	Minilya Park	10 Minilya Av, White Gum Valley
51	Monument Hill Memorial Reserve	249 High St, Fremantle
52	Moorni Boorn Park	32 Paget St, Hilton
53	Naylor Reserve	18 Naylor St, Beaconsfield
54	North Fremantle Foreshore Reserve	Johannah St, North Fremantle
55	Parmelia Park	50 Commercial St, South Fremantle
56	Peace Grove	311 Carrington St, Beaconsfield
57	Pensioner Guard Park	21 Pensioner Guard Rd, North Fremantle
58	Petterson Reserve	Petterson Ave, Samson
59	Phillimore Gardens	Phillimore St, Fremantle
60	Pioneer Reserve	1 Short St, Fremantle
61	Plane Tree Reserve	Bayleaf Rtt, O'connor
62	Point Direction Reserve	431 Harvest Rd, North Fremantle
63	Port Beach reserve	Port Beach Road, North Fremantle
64	Prawn Bay	Johanna St, North Fremantle
65	Princess May Park	92 Adelaide St, Fremantle
66	Queens Square	High St, Fremantle
67	Railway Reserve	28 Phillimore St, Fremantle
68	Rocky Bay Reserve	Rule St, North Fremantle
69	Royal Fremantle Golf Course	359 High Street, Fremantle
70	Rule Park	36 Rule St, North Fremantle

**Minutes – Ordinary Meeting of Council
22 June 2022**



71	S.E.W. Park	465 Thompson Rd, North Fremantle
72	Salentina Ridge POS	11 Moran St, Beaconsfield
73	Sardelic Park	30 Butterworth Pl, Beaconsfield
74	Signal Station Reserve	4 Burt St, Fremantle
75	Sir Frederick Samson Park	McCombe Av, Samson
76	Soroptimist Rose Garden	High St, Fremantle
77	Sorrell Park	483 Bruce St, North Fremantle
78	Sorrell Park	Doepel St, North Fremantle
79	Sorrell Park	482 Bruce St, North Fremantle
80	South Beach Reserve	Ocean Dr, South Fremantle
81	South Beach	Ocean Rd, South Fremantle
82	South Beach Promenade	South Beach Pde, South Fremantle
83	Stevens Reserve	1532 Stevens St, Fremantle
84	Tangney Reserve	Tangney Crescent, Samson
85	The Esplanade Reserve	45 Marine Tce, Fremantle
86	Tuckfield Oval	70 Tuckfield St, Fremantle
87	Tyrone Reserve	Tyrone St, North Fremantle
88	Un-named park	2 Nanine Av, White Gum Valley
89	Valley Park	26 Mulberry Farm Lane, White Gum Valley
90	Virginia Ryan Park	Watkins St, Fremantle
91	Walyalup Koort	3 Adelaide St, Fremantle
92	War Memorial Park	Harvest Rd, North Fremantle
93	Westmeath Park	Westmeath St, North Fremantle
94	Wilson Park	South Tce, South Fremantle

VOTING AND OTHER SPECIAL REQUIREMENTS

Absolute majority required



COMMITTEE RECOMMENDATION ITEM FPOL2206-7
(Officer's recommendation)

Moved: Cr Jenny Archibald

Seconded: Cr Bryn Jones

Council:

- 1. considers the submissions received during the consultation period for the proposed City of Fremantle Cat Management Amendment Local Law 2022.**
- 2. adopt the proposed City of Fremantle Cat Management Amendment Local Law 2022 as shown in attachment 1.**

The purpose and effect of which is as follows:

Purpose: To exercise the control of cats, powers which exist under the Cat Act 2011.

Effect: To better control nuisance cats and expand the prescribed areas in which cats are prohibited.

Carried: 7/0

**Mayor Hannah Fitzhardinge, Cr Jenny Archibald, Cr Fedele Camarda
Cr Marija Vujcic, Cr Rachel Pemberton, Cr Frank Mofflin, Cr Bryn Jones**

ADDITIONAL OFFICER COMMENT

Following this report being presented to the Finance, Policy, Operations and Legislation Committee meeting held on 8 June 2022, further consideration has been given to comments received during consultation. Further thought was given to concerns raised that prohibiting cats from all local government property would impact owners by effectively making it an offence to take a cat to a veterinarian, to or from a boarding facility, to transport while moving house and to also prevent a tethered and secured cat from being exercised.

This restriction to transportation of cats is an unintended effect of the proposed amendment to the Cat Management Local Law. In order to mitigate this effect, it is considered appropriate for Council to make a determination allowing cats to be brought onto its local government property in a specific manner.

Council can do this by making a determination as provided for under section 2.7 of the City of Fremantle Local Government Property Local Law.



COUNCIL DECISION ITEM FPOL2206-7
(Amended officer recommendation)

Moved: Cr Adin Lang

Seconded: Mayor Hannah Fitzhardinge

Council:

1. **Considers the submissions received during the consultation period for the proposed City of Fremantle Cat Management Amendment Local Law 2022.**
2. **Adopt the proposed City of Fremantle Cat Management Amendment Local Law 2022 as shown in attachment 1.**

The purpose and effect of which is as follows:

Purpose: To exercise the control of cats, powers which exist under the Cat Act 2011.

Effect: To better control nuisance cats and expand the prescribed areas in which cats are prohibited.

3. ***Give local public notice of its intention, under section 2.7 of the City of Fremantle Local Government Property Local Law, to make a determination to allow cats to be brought onto City of Fremantle Local Government Property, when they are securely tethered and/or confined to a suitable secure carrier, by a person.***

Purpose: To allow cats to be brought onto City of Fremantle local government property under specified circumstances.

Effect: To allow for the exercise and transportation of cats on City of Fremantle local government property

Carried: 9/2

For

**Cr Jenny Archibald, Cr Su Groome, Cr Fedele Camarda, Cr Ben Lawver,
Cr Frank Mofflin, Cr Bryn Jones, Cr Marija Vujcic,
Cr Andrew Sullivan, Cr Adin Lang**

Against

Mayor Hannah Fitzhardinge, Cr Geoff Graham



FPOL2206-8 WESTGATE MALL UPGRADE OF AWNINGS

Meeting date:	8 June 2022
Responsible officer:	Manager Facilities and Environmental Management
Decision making authority:	Council
Attachments:	<ol style="list-style-type: none">1. Attachment 1 Plan Awning Replacement2. Attachment 2 Existing and Proposed Elevations
Additional information:	Nil

SUMMARY

This report recommends that Council endorse a proposal to progress with works at Westgate Mall to address safety and water ingress issues with the existing awnings, and to improve lighting and remove planters to assist in the reduction of anti-social behaviour.

The report also seeks that Council authorise a budget adjustment to fund these works.

BACKGROUND

The awning structure in Westgate Mall was completed in the 1965. The structure comprises box section steel beams spanning the mall with steel sheeting forming a roof deck draining to box gutters mounted above the shop frontages. The steel box section beams are showing signs of corrosion and require treatment and repainting to prolong life. The roof deck and gutters are showing significant signs of corrosion and have reached the end of their useful life and are causing water ingress issues to adjacent buildings and safety concerns.

Yolk Property Group are currently constructing a new development at the junction of Westgate Mall and Little Lane. The building which formerly stood on the site supported part of Westgate Mall awning, this section was removed by the developer prior to the demolition of the building.

The City agreed that Yolk Property Group could establish a site boundary that included Little Lane and a section of Westgate Mall for laydown and site access, this area has been agreed to be reinstated by the Yolk Property Group to the City's requirements to a maximum value of \$160,000.

The developer had suggested that they would propose an enhanced design for the little lane area affected by the construction works that would improve amenity to the area, this was subsequently articulated and agreed through an MOU.



This agreement included the potential for the City to also contribute subject to the agreement of a suitable and acceptable design; Council approved a matching budget provision of up to \$160,000 subject to suitable design being approved. The developer has not progressed with an enhanced proposal and has subsequently been asked to progress with the reinstatement of affected areas as per the agreed MOU.

A budget of \$56,780 (IP 300119 Design and Construct Westgate Mall Courtyard) was approved in 21/22 works program to undertake works to improving the awning. This has proved problematic to progress from a funding and structural design perspective. A suitable solution was unable to be determined until the further structural investigations could be completed.

The surrounding shop owners are keen to see a resolution to the issue with the awnings, especially as a result of the problems it can create with both rain penetration and lack of shading on the shop facades.

FINANCIAL IMPLICATIONS

The pre-tender estimate to complete the awning project is \$190,000. \$16,055 of this budget has been used to replace the soffit of the walkway between Westgate Mall and Cantonment Street.

Officers propose to progress with the awning replacement works as a priority, it is proposed that this be funded from the remaining budget approved in the 21/22 program and the transfer of the unused \$160,000 contribution from the MOU proposal.

Description	Expenditure	Budget
Budget		
IP-300264 City Contribution – Westgate Mall courtyard	\$16,055	\$160,000
IP-300119 Design and construct Westgate Mall Courtyard		\$56,780
Expenditure		
Proposed project cost (estimated)	\$190,000	

LEGAL IMPLICATIONS

Tenders will be invited in accordance with the requirements of Section 3.57 of the *Local Government Act 1995*. The tendering procedures and evaluation complied with the requirements of Part 4 of the *Local Government (Functions and General) Regulations 1996*.



CONSULTATION

Nil

OFFICER COMMENT

It is proposed to upgrade the awning which remains and extend one section by 10m to provide cover for pedestrian's accessing the Mall from Cantonment Street. The proposed upgrade will remove the old steel sheeting, treat, and repaint the box section steel beams and install new awning sheeting with adjustment to the structure to allow rainwater to drain away from the buildings.

Officers also propose to improve the amenity of the mall by improving lighting, removing the raised planters and blast cleaning the existing mall pavers – this would be completed by the City's engineering maintenance team.

If this project does not go ahead the City will need to actively mitigate any risk. The poor condition of the awnings is increasingly susceptible to further corrosion which could lead to water damage to neighbouring buildings, health, and safety risk due to falling debris and complaints about the unsightly appearance of the corroded structure.

VOTING AND OTHER SPECIAL REQUIREMENTS

Absolute majority required.



COUNCIL DECISION ITEM FPOL2206-8
(Amended officer recommendation)

Moved: Mayor Hannah Fitzhardinge Seconded: Cr Jenny Archibald

Council:

- 1. Approve Officers progress the project to replace the Westgate Mall awnings and associated works.**
- 2. Approve a budget adjustment of \$160,000 to replace the Westgate Mall awnings and associated works.**

Item	Account #	Account Details	2021/22 Amended Budget	Increase/ (Decrease)	(Increase)/ Decrease	2021/22 Proposed Budget
				Revenue	(Expenditure)	
1.1	The budget amendments below reflect the expected increase in expenditure to replace the awnings and associated works on Westgate Mall.					
	300119.1606	Design and construct Westgate Mall	(\$56,780)		(\$160,000)	(\$216,780)
	300264.1606	Contribution-Westgate Mall courtyard	(160,000)		160,000	0
		Total			\$0	

Carried: 11/0

Mayor Hannah Fitzhardinge, Cr Jenny Archibald, Cr Su Groome, Cr Geoff Graham, Cr Fedele Camarda, Cr Ben Lawver, Cr Frank Mofflin, Cr Bryn Jones, Cr Marija Vujcic, Cr Andrew Sullivan, Cr Adin Lang



FPOL2206-9 BUDGET AMENDMENTS - JUNE 2022

Meeting date:	8 June 2022
Responsible officer:	Manager Financial Services
Decision making authority:	Council
Agenda attachments:	Nil
Additional information:	Nil

SUMMARY

To adopt various budget amendments to the 2021/22 budget account numbers as detailed below in accordance with the Budget Management Policy.

This report recommends that Council approves the required budget amendments to the adopted budget for 2021/22 as outlined in the report.

BACKGROUND

In accordance with the Budget Management Policy, this report provides details of proposed amendments to the 2021/22 budget on a monthly basis to Council (via FPOL) to adopt budget amendments to:

1. Consider an additional purpose or grant acceptance or release of quarantined funds;
2. Reflect any expenditure above the budget amount agreed by the CEO in the previous month and adjust other accounts to accommodate the value of these.
3. Make amendments to the carried forward budget to reflect the final position at the end of the financial year.

FINANCIAL IMPLICATIONS

The financial implications are detailed in this report.

LEGAL IMPLICATIONS

Local Government Act 1995: **Section 6.2 (1)**

The Council is required to prepare and adopt, by Absolute Majority, an annual budget for its municipal fund by 31st August each year.



Section 6.8 (1) and (2)

The Council cannot incur expenditure from its municipal fund for a purpose for which no expenditure estimate is included in the annual budget (known as an 'additional purpose') except where the expenditure –

- (a) is incurred in a financial year before the adoption of the annual budget by the local government;
- (b) is authorised in advance by resolution by Absolute Majority; or
- (c) is authorised in advance by the mayor or president in an emergency.

Where expenditure has been incurred;

- (a) under S 6.8 (1) (a) it is required to be included in the annual budget for that financial year; and
- (b) under S 6.8 (1) (c), it is to be reported to the next ordinary meeting of the council.

Local Government (Financial Management) Regulations 1996: **Regulation 33A**

A formal review of the annual budget is to be presented and adopted by Council, by Absolute Majority, between 1st January and 31st March each year.

CONSULTATION

There are no community engagement implications as a result of this report.

OFFICER COMMENT

The following amendments are proposed to be made to the adopted/revised budget for 2021-22.

1. Budget amendments for proposed expenditure for an additional purpose or release of quarantined funds.

The proposed budget amendments below are for expenditure for an additional purpose to be determined by the Council as required by S6.8 (1) (b) of the Act. The decision will amend the budget by creating a new budget account number to accommodate that proposed expenditure, and by transferring the required funds from one or more existing accounts to the new account.

There are no budget amendments for proposed expenditure this month.



2. Budget amendments for proposed expenditure for a purpose identified within the budget for which there are insufficient funds allocated.

Chief Executive Officer (CEO) has the delegated authority under the Budget Management Policy to incur expenditure for a purpose identified within the budget for which there are insufficient funds allocated, where:

- a) The proposed expenditure is a maximum of 5% or \$50,000 (whichever is the lesser) above the budgeted amount; and
- b) There are sufficient funds equivalent to the value proposed to be sent allocated to other budget line items within the overall budget, and which, in the opinion of the CEO, are not expected to be spent during that financial year.

The budget amendments below are to reflect any expenditure above the budget amount agreed by the CEO during the previous month, and to adjust other accounts to accommodate the value of those.

Item	Account Details	Account #	2021/22 Amended Budget	Revenue Income / (Decrease)	Expenditure (Increase)/ Decrease	2021/22 Proposed Budget
				Income	(Expenditure)	
2.1	In August 2021, the council approved a budget variation for \$41,000 from the library budget to fund the annual contribution for Library Connect, an MOU with St Pats to provide a social worker based at the library. During the mid-year budget review, this budget was removed due to oversight. The below budget amendment is required to reinstate the budget as approved by FPOL 2108-13.					
Exp	100471.5961	Lead community development directorate - Sponsorship	(1,000)		1,000	-
Exp	100482.5961	Operate Fremantle Library - Sponsorship	-		(41,000)	(41,000)
	900520.3911	Retained Surplus B/Fwd	(2,759,894)		40,000	(2,719,894)
2.2	Fremantle Art Centre would like to utilise savings in the operational budget to purchase immediate office furniture requirements.					
Exp	100406.6823	Operate Fremantle Art Centre - Contract Expense - General	43,000		3,550	39,450



Item	Account Details	Account #	2021/22 Amended Budget	Revenue Income / (Decrease)	Expenditure (Increase)/ Decrease	2021/22 Proposed Budget
				Income	(Expenditure)	
Exp	100406.6855	Operate Fremantle Art Centre - Material Expense - Minor Assets < \$5000	3,000		(3,550)	6,550

3. Carried forward projects estimate budget amendments.

There are no proposed budget amendments to the FY 2021/22 budget.

VOTING AND OTHER SPECIAL REQUIREMENTS

Absolute Majority Required



COUNCIL DECISION ITEM FPOL2206-9
(Officer’s recommendation)

Moved: Mayor Hannah Fitzhardinge Seconded: Cr Jenny Archibald

Council approve the required budget amendments to the adopted/amended budget for 2021/22 as outlined below:

Item	Account Details	Account #	2021/22 Amended Budget	Revenue Income / (Decrease)	Expenditure (Increase)/ Decrease	2021/22 Proposed Budget
				Income	(Expenditure)	
2.1	In August 2021, the council approved a budget variation for \$41,000 from the library budget to fund the annual contribution for Library Connect, an MOU with St Pats to provide a social worker based at the library. During the mid-year budget review, this budget was removed due to oversight. The below budget amendment is required to reinstate the budget as approved by FPOL 2108-13.					
Exp	100471.5961	Lead community development directorate - Sponsorship	(1,000)		1,000	-
Exp	100482.5961	Operate Fremantle Library - Sponsorship	-		(41,000)	(41,000)
	900520.3911	Retained Surplus B/Fwd	(2,759,894)		40,000	(2,719,894)
2.2	Fremantle Art Centre would like to utilise savings in the operational budget to purchase immediate office furniture requirements.					
Exp	100406.6823	Operate Fremantle Art Centre - Contract Expense - General	43,000		3,550	39,450
Exp	100406.6855	Operate Fremantle Art Centre - Material Expense - Minor Assets < \$5000	3,000		(3,550)	6,550

Carried: 11/0

**Mayor Hannah Fitzhardinge, Cr Jenny Archibald, Cr Su Groome, Cr Geoff Graham,
Cr Fedele Camarda, Cr Ben Lawver, Cr Frank Mofflin, Cr Bryn Jones,
Cr Marija Vujcic, Cr Andrew Sullivan, Cr Adin Lang**



FPOL2206-10 PROPOSED LICENSE AGREEMENT – SOUTH FREMANTLE FOOTBALL CLUB

Meeting date: 8 June 2022
Responsible officer: Chief Executive Officer
Decision making authority: Council
Attachments: 1. Proposed License Agreement between City of Fremantle and South Fremantle Football Club
Additional information: Nil

SUMMARY

The purpose of this report is to present the proposed license agreement between the City of Fremantle and South Fremantle Football Club, for the Club’s occupation at Fremantle Oval for an initial term of twenty years with an option period of twenty years for council consideration.

BACKGROUND

Since the completion of negotiations with the Fremantle Football Club for the surrender of the Head Lease at Fremantle Oval the City has been in discussion with the South Fremantle Football Club (the Club) to secure their tenure going forward.

At a special council meeting held on the 10 July 2017 (item SC1707-1), the City resolved the following;

"Council to authorise the Chief Executive Officer to negotiate a license agreement with the South Fremantle Football Club for access and use of Fremantle Oval post the surrender of the lease with Fremantle Football Club based on the following essential terms;

- *The license term of 20 years plus 20 year option, subject to WAPC approval.*
- *Ground keeping costs will be covered by the City – with support from FFCL for costs above \$80k.*
- *SFFC ground keeper position to be transferred to the City subject to satisfactory background/expertise checks. SFFC to provide dot point outline of duties to the City for consideration:*
 - *City will create new duty statement for ground keeper*
- *All net parking revenue to be collected and managed by the City, provided to SFFC. Current estimate \$100k.*
- *Agreement to include up to 5 opportunities per year to hold events to a maximum of 5 days for SFFC.*
- *That the agreement includes recognition of the City’s contribution as sponsorship in accordance with the City’s sponsorship policy.*



- *Redevelopment clause;*
 - *Intention to maintain SFFC at the oval*
 - *Implied agreement of the benefits of possible future redevelopment*
 - *Both parties agree to programmed timing of redevelopment to ensure games can be played at the oval during redevelopment.*
 - *Best endeavours to provide revenue opportunities for SFFC.”*

Subsequent to this meeting the Council resolved to modify dot point two of the above resolution by removing the reference of support to ground keeping costs from the Fremantle Football Club at a further special council meeting held on the 7 August 2017 (SC1708-1).

The license agreement and negotiations have centred on the above resolution and providing some modification to some aspects as the details of each point were further considered. The Club is seeking longevity with the agreement and council commitment to maintaining a facility and oval.

The Club, in various forms, has been a tenant at the oval for over 100 years. The Club is a participant in the Western Australian Football League and play up to 22 fixture games per year in this competition, generally half of these at the oval. The continued presence by the Club at the oval will continue a long standing arrangement and association between the City, Club and community.

FINANCIAL IMPLICATIONS

The terms of the proposed license agreement will see the City provide both financial and in-kind support to the operations of the Club and facility for the term of the license. Some of these have been provided as part of past agreements, and a new requirement to maintain the oval which was previously managed by the Fremantle Football Club. The license requires the City to provide for the following;

Parking Revenue – this will see the City forward all net parking revenue received at the oval car park, less a small administration fee. This will result in approximately \$100,000 per year provided to the Club based on current revenue figures. This net revenue has always been provided to the Club in the past so does not represent any change to current practice.

Financial Support – the city will provide a financial sponsorship contribution to the Club of \$50,000 per annum with annual CPI indexation capped to 5%. This is a new element for the City and honours the prior agreement the Club had with the Fremantle Football Club under a sub-lease between the parties.

A suitable sponsorship package acknowledging the City as a major sponsor of the Club. This will include ground signage.



Oval Maintenance – the City will now be responsible for most of the oval and surrounds maintenance. Current cost estimates this to be between \$120,000 to \$160,000 per year. Some of this cost is attributed to other activities the City intends to hold at the oval.

SFFC Events – the license has provided for the Club to hold events on the oval for up to 5 days per year, subject to approval by the City. This will provide means for the Club to generate “non-game day” revenue. Any associated fees or approval conditions will be subject to consideration with each request.

In kind – the license agreement will not include commercial rent. The agreement will be for peppercorn value, providing an in-kind saving to the Club of at least \$50,000 per year.

Redevelopment – the license includes a clause undertake good faith negotiations to transition to a new agreement if a redevelopment of the oval occurs during the term of this agreement. This includes a best endeavours clause to maintain the playing surface (oval) during the future proposed redevelopment. There may be additional costs to the project to achieve this outcome. There is also an understanding that redevelopment will move the Club to become self-sufficient so financial contributions contemplated under this agreement will not be provided post redevelopment.

The table below provides an indicative assessment of what other local governments are contributing to their WAFL Club.

The details of the table have been provided by officers of each local government and has not been verified beyond that – it provides an appreciation of the level of support the City of Fremantle is providing to the Club, subject to the conclusion of this agreement.

Local Govt	Club	Oval	Capital	Sponsorship
Claremont	Claremont	Nil	Nil	Nil
East Fremantle	East Fremantle	\$120k	\$86k	Nil
Vic Park	Perth	Nil	\$1.5m	\$55k p.a.
Mandurah	Peel	\$100k + lighting	Nil	Nil



Local Govt	Club	Oval	Capital	Sponsorship
Vincent	East Perth & Subiaco	\$140k	\$75k	Nil
Joondalup	West Perth	Nil	\$1.8m This FY	\$40k p.a.
Bassendean	Swans	\$230k+ \$120k Build Maint	\$130k	Nil
East Fremantle	East Fremantle	\$120k	\$86k	Nil

LEGAL IMPLICATIONS

The license is a legal agreement between the City and Club.

The land title for Fremantle Oval is a conditional title and therefore needs Western Australian Planning Commission approval and the Governor’s consent.

Without these consents being provided, the license has no legal standing. These consents are listed as a pre-condition to the agreement.

CONSULTATION

Nil, outside the Club and Fremantle Football Club.

OFFICER COMMENT

The attached license is the final piece of the process of the City gaining control of the oval post the surrender by the Fremantle Football Club. It provides a future for South Fremantle Football Club who is a long-standing tenant of the oval and part of the Fremantle community for well over 100 years.

Council previously approved the significant majority of this license agreement in April 2018. The Club and City has been in various communication since this time to finalise aspects to ensure further understanding of what a redeveloped Fremantle oval may provide into the future for the Club and City.



This amended version of the license provides for the interim position and the path forward to redevelopment of the oval and surrounds in the future. South Fremantle Football Club is a significant stakeholder in the oval and will continue to be so. The significant changes since that time are in the redevelopment clause and post redevelopment elements under clauses 8.1 to 8.5.

The attached version includes changes to the original version and due to the elapsed time is better placed before council for re-consideration.

VOTING AND OTHER SPECIAL REQUIREMENTS

Simple majority required

OFFICER'S RECOMMENDATION

Moved: Cr Jenny Archibald

Seconded: Mayor Hannah Fitzhardinge

Council:

- 1. Approves the proposed updated License agreement (from April 2018) for Fremantle Oval between the South Fremantle Football Club and City of Fremantle for the term of 20 years with a 20 year option subject to approval of the Western Australian Planning Commission and consent from the Governor (as attached with the Finance, Policy, Operations and Legislation Committee agenda of 8 June 2022).**
- 2. Authorises the Chief Executive Officer the ability to make minor amendments to the attached Agreement referred to in 1 above in final negotiations between the Club and City.**
- 3. Authorises the Chief Executive Officer formalising the License Agreement referred to in 1 above and subject to any changes to 2 above the required approval from Western Australian Planning Commission and consent from the Governor.**



AMENDMENT

Moved: Cr Rachel Pemberton

Seconded: Mayor Hannah Fitzhardinge

Add part 4 to read as follows:

- 4. Notes this agreement with the South Fremantle Football Club includes financial benefits to the value of **approximately \$350,000 pa that is to be acknowledged by the club through the below amendment to clause 10.4 of the License Agreement;****

10.4 Acknowledgement of City's Sponsorship

- (a) In consideration of the Sponsor Contribution and the City's maintenance of the Oval, SFFC must acknowledge the City as a major sponsor of the SFFC, ~~including by providing:~~**
- ~~(i) appropriate signage at the Grounds;~~**
 - ~~(ii) acknowledgement on the SFFC's promotional materials; and~~**
 - ~~(iii) use of the SFFC's digital sign(s) to advertise Special Events and other City-run events or attractions (the time prioritised for the City's use of the digital sign(s) to be negotiated in good faith between the parties);~~**

The City of Fremantle requires recognition from all applicants supported under its Grants and Sponsorship Policy, including:

- Appropriate recognition as a sponsor such as the City of Fremantle logo and/or Fremantle destination brand on any associated marketing or communications material.**
 - Recognition in any official speeches.**
 - Free tickets (where applicable) to the event for distribution to members of the Fremantle community or for promotional activities including competitions.**
 - Signage incorporating the City of Fremantle logo and/or Fremantle destination brand (as appropriate) at events or activations and the logo in a prominent position in printed and digital event material.**
 - Opportunities for the City of Fremantle and/or the Fremantle destination brand to be incorporated into any marketing.**
 - The opportunity to utilise events to build relationships between the City and stakeholders.**
 - Other benefits and conditions as agreed upon and outlined in any applicable funding agreement.**
- (b) In consideration of the Sponsorship Contribution, the SFFC agrees that its digital sign(s) will not operate and will be turned off between the hours of 21:00 and 06:00 on each Day.**



- (c) The parties will use all reasonable endeavours to agree the total amount to be spent by the SFFC each year in recognition of the City's sponsorship and in accordance with the agreed sponsorship acknowledgement package.**
- (d) If an amount cannot be agreed, the minimum amount spent by the SFFC (in accordance with clause 10.4(b)) will be [10%] of the Sponsorship Contribution for that year.**

Amendment carried: 7/0

**Mayor Hannah Fitzhardinge, Cr Jenny Archibald, Cr Fedele Camarda
Cr Marija Vujcic, Cr Rachel Pemberton, Cr Frank Mofflin, Cr Bryn Jones**

Reason for Change:

To acknowledge the total financial contribution the City makes towards the operations of the South Fremantle Football Club, which is:

Cash sponsorship = \$50k
Rent waived = \$50k
Maintenance = \$120k+`
Parking revenue = \$100k +
5 x grounds event hire fee waived = \$20k
Rates waived = \$10k

Total financial benefits package valued at over \$350k

COMMITTEE RECOMMENDATION ITEM FPOL2206-10
(Officer's recommendation, as amended)

Moved: Mayor Hannah Fitzhardinge Seconded: Cr Frank Mofflin

Council:

1. Approves the proposed updated License agreement (from April 2018) for Fremantle Oval between the South Fremantle Football Club and City of Fremantle for the term of 20 years with a 20 year option subject to approval of the Western Australian Planning Commission and consent from the Governor (as attached with the Finance, Policy, Operations and Legislation Committee agenda of 8 June 2022).
2. Authorises the Chief Executive Officer the ability to make minor amendments to the attached Agreement referred to in 1 above in final negotiations between the Club and City.
3. Authorises the Chief Executive Officer formalising the License Agreement referred to in 1 above and subject to any changes to 2 above the



required approval from Western Australian Planning Commission and consent from the Governor.

4. Notes this agreement with the South Fremantle Football Club includes financial benefits to the value of *approximately \$350,000 pa that is to be acknowledged by the club through the below amendment to clause 10.4 of the License Agreement;*

10.4 Acknowledgement of City's Sponsorship

- (a) In consideration of the Sponsor Contribution and the City's maintenance of the Oval, SFFC must acknowledge the City as a major sponsor of the SFFC.*

The City of Fremantle requires recognition from all applicants supported under its Grants and Sponsorship Policy, including:

- Appropriate recognition as a sponsor such as the City of Fremantle logo and/or Fremantle destination brand on any associated marketing or communications material.*
 - Recognition in any official speeches.*
 - Free tickets (where applicable) to the event for distribution to members of the Fremantle community or for promotional activities including competitions.*
 - Signage incorporating the City of Fremantle logo and/or Fremantle destination brand (as appropriate) at events or activations and the logo in a prominent position in printed and digital event material.*
 - Opportunities for the City of Fremantle and/or the Fremantle destination brand to be incorporated into any marketing.*
 - The opportunity to utilise events to build relationships between the City and stakeholders.*
 - Other benefits and conditions as agreed upon and outlined in any applicable funding agreement.*
- (b) In consideration of the Sponsorship Contribution, the SFFC agrees that its digital sign(s) will not operate and will be turned off between the hours of 21:00 and 06:00 on each Day.*
- (c) The parties will use all reasonable endeavours to agree the total amount to be spent by the SFFC each year in recognition of the City's sponsorship and in accordance with the agreed sponsorship acknowledgement package.*
- (d) If an amount cannot be agreed, the minimum amount spent by the SFFC (in accordance with clause 10.4(b)) will be [10%] of the Sponsorship Contribution for that year.*



AMENDMENT

Moved: Cr Frank Mofflin

Seconded: Cr Bryn Jones

To amend part 4(a), to read as follows:

- 4. Notes this agreement with the South Fremantle Football Club includes financial benefits to the value of approximately \$350,000 pa that is to be acknowledged by the club through the below amendment to clause 10.4 of the License Agreement;**

10.4 Acknowledgement of City’s Sponsorship

- a. In consideration of the Sponsor Contribution and the City’s maintenance of the Oval, SFFC must acknowledge the City as a major sponsor of the SFFC.**

The City of Fremantle requires recognition from all applicants supported under its Grants and Sponsorship Policy, including either:

- Appropriate recognition as a sponsor such as the City of Fremantle logo and/or Fremantle destination brand on any associated marketing or communications material.**
- Recognition in any official speeches.**
- Free tickets (where applicable) to the event for distribution to members of the Fremantle community or for promotional activities including competitions.**
- Signage incorporating the City of Fremantle logo and/or Fremantle destination brand (as appropriate) at events or activations and the logo in a prominent position in printed and digital event material.**
- Opportunities for the City of Fremantle and/or the Fremantle destination brand to be incorporated into any marketing.**
- The opportunity to utilise events to build relationships between the City and stakeholders.**
- Other benefits and conditions as agreed upon and outlined in any applicable funding agreement.**

OR

An agreement between the City and Club from time to time not exceeding three years duration.

Amendment carried: 11/0

**Mayor Hannah Fitzhardinge, Cr Jenny Archibald, Cr Su Groome, Cr Geoff Graham,
Cr Fedele Camarda, Cr Ben Lawver, Cr Frank Mofflin, Cr Bryn Jones,
Cr Marija Vujcic, Cr Andrew Sullivan, Cr Adin Lang**



COUNCIL DECISION ITEM FPOL2206-10
(Committee recommendation, as amended)

Moved: Mayor Hannah Fitzhardinge Seconded: Cr Frank Mofflin

Council:

- 1. Approves the proposed updated License agreement (from April 2018) for Fremantle Oval between the South Fremantle Football Club and City of Fremantle for the term of 20 years with a 20 year option subject to approval of the Western Australian Planning Commission and consent from the Governor (as attached with the Finance, Policy, Operations and Legislation Committee agenda of 8 June 2022).**
- 2. Authorises the Chief Executive Officer the ability to make minor amendments to the attached Agreement referred to in 1 above in final negotiations between the Club and City.**
- 3. Authorises the Chief Executive Officer formalising the License Agreement referred to in 1 above and subject to any changes to 2 above the required approval from Western Australian Planning Commission and consent from the Governor.**
- 4. Notes this agreement with the South Fremantle Football Club includes financial benefits to the value of approximately \$350,000 pa that is to be acknowledged by the club through the below amendment to clause 10.4 of the License Agreement;**

10.4 Acknowledgement of City's Sponsorship

- a. In consideration of the Sponsor Contribution and the City's maintenance of the Oval, SFFC must acknowledge the City as a major sponsor of the SFFC.**

The City of Fremantle requires recognition from all applicants supported under its Grants and Sponsorship Policy, including *either*:

- Appropriate recognition as a sponsor such as the City of Fremantle logo and/or Fremantle destination brand on any associated marketing or communications material.**
- Recognition in any official speeches.**
- Free tickets (where applicable) to the event for distribution to members of the Fremantle community or for promotional activities including competitions.**
- Signage incorporating the City of Fremantle logo and/or Fremantle destination brand (as appropriate) at events or**



activations and the logo in a prominent position in printed and digital event material.

- Opportunities for the City of Fremantle and/or the Fremantle destination brand to be incorporated into any marketing.
- The opportunity to utilise events to build relationships between the City and stakeholders.
- Other benefits and conditions as agreed upon and outlined in any applicable funding agreement.

OR

An agreement between the City and Club from time to time not exceeding three years duration.

- (b) In consideration of the Sponsorship Contribution, the SFFC agrees that its digital sign(s) will not operate and will be turned off between the hours of 21:00 and 06:00 on each Day.***
- (c) The parties will use all reasonable endeavours to agree the total amount to be spent by the SFFC each year in recognition of the City's sponsorship and in accordance with the agreed sponsorship acknowledgement package.***
- (d) If an amount cannot be agreed, the minimum amount spent by the SFFC (in accordance with clause 10.4(b)) will be [10%] of the Sponsorship Contribution for that year.***

Carried: 9/2

For

**Mayor Hannah Fitzhardinge, Cr Jenny Archibald, Cr Geoff Graham,
Cr Fedele Camarda, Cr Ben Lawver, Cr Frank Mofflin, Cr Bryn Jones,
Cr Andrew Sullivan, Cr Adin Lang**

Against

Cr Marija Vujcic, Cr Su Groome



11.3 Audit and Risk Management Committee 15 June 2022

ITEMS APPROVED "EN BLOC"

The following items were adopted unopposed and without discussion "en bloc" as recommended.

COUNCIL DECISION

Moved: Mayor Hannah Fitzhardinge

Seconded: Cr Andrew Sullivan

The following items be adopted en bloc as recommended:

ARMC2206-2	PURCHASING POLICY EXEMPTIONS MARCH TO APRIL 2022
ARMC2206-3	OVERDUE DEBTORS REPORT AS AT 30 APRIL 2022
ARMC2206-4	TENDERS AWARDED UNDER DELEGATION MARCH TO APRIL 2022
ARMC2206-5	INFORMATION REPORT – JUNE 2022

Carried en bloc: 11/0

Mayor Hannah Fitzhardinge, Cr Jenny Archibald, Cr Su Groome, Cr Geoff Graham,
Cr Fedele Camarda, Cr Ben Lawver, Cr Frank Mofflin, Cr Bryn Jones,
Cr Marija Vujcic, Cr Andrew Sullivan, Cr Adin Lang



ARMC2206-2 PURCHASING POLICY EXEMPTIONS MARCH TO APRIL 2022

Meeting date: 15 June 2022
Responsible officer: Manager Financial Services
Decision making authority: Council
Attachments: 1. Purchasing Policy Exemption Details
March 2022 to April 2022
Additional information: Nil.

SUMMARY

The purpose of this report is to inform Council of purchases made by the City that were exempt from the requirements of the Purchasing Policy, during the period March to April 2022.

This report recommends that Council receive the Purchasing Policy Exemptions report for March to April 2022.

BACKGROUND

At the Ordinary Meeting of Council of 25 November 2020, Council adopted a new Purchasing Policy. The policy contains a list of tender exemptions (exempt under Regulation 11(2) of the *Local Government (Functions and General) Regulations 1996*) and policy exemptions.

Under this policy all exemptions used by the City are to be reported to the Audit and Risk Management Committee.

FINANCIAL IMPLICATIONS

Nil.

LEGAL IMPLICATIONS

Nil.

CONSULTATION

Nil.



OFFICER COMMENT

March 2022

The total value of spending exempt from the City of Fremantle Purchasing Policy was \$57,679.00 for the month of March 2022.

The value of exemptions by category is:

Exemption Category	Value
Artists Exemptions	\$9,100.00
Sole Source of Supply Exemption	\$48,579.00
Total	\$57,679.00

Details regarding individual exemptions can be found in attachment 1.

April 2022

The total value of spending exempt from the City of Fremantle Purchasing Policy was \$70,163.05 for the month of April 2022.

The value of exemptions by category is:

Exemption Category	Value
Specialist Consultant Advice	\$9,850.00
Original Equipment Manufacturer	\$19,645.00
Sole Source of Supply Exemption	\$40,668.05
Total	\$70,163.05

Details regarding individual exemptions can be found in attachment 1.

VOTING AND OTHER SPECIAL REQUIREMENTS

Simple majority required



COUNCIL DECISION ITEM ARMC2206-2
(Committee recommendation)

Moved: Mayor Hannah Fitzhardinge Seconded: Cr Andrew Sullivan

**Council receive the information report on Purchasing Policy exemptions
for March to April 2022.**

Carried en bloc: 11/0

**Mayor Hannah Fitzhardinge, Cr Jenny Archibald, Cr Su Groome, Cr Geoff Graham,
Cr Fedele Camarda, Cr Ben Lawver, Cr Frank Mofflin, Cr Bryn Jones,
Cr Marija Vujcic, Cr Andrew Sullivan, Cr Adin Lang**



ARMC2206-3 OVERDUE DEBTORS REPORT AS AT 30 APRIL 2022

Meeting date:	15 June 2022
Responsible officer:	Manager Financial Services
Decision making authority:	Council
Attachments:	1. Summary of Overdue Debts above Threshold (Confidential attachment under separate cover)
Additional information:	Nil

SUMMARY

This Overdue Debtors Report, with confidential attachment, is provided to the Audit and Risk Management Committee to report details of overdue debts, as at 30 April 2022, and identify those where the amount owing over 90 days exceeds \$10,000.

This report recommends that Council receive the Overdue Debtors Report and acknowledge the overdue debts exceeding 90 days that have a combined value greater than \$10,000 as at 30 April 2022.

BACKGROUND

This report provides the Audit and Risk Management Committee the following information in relation to overdue debtors:

- The amount of total debt outstanding for the period aged from current to over 90 days overdue with a comparison to the same period for the previous year.
- All records of the uses of delegated authority, to waive or write off debts valued at \$1,000 or above.
- A confidential report containing the individual debtor information in relation to the outstanding debts exceeding 90 days with a combined value of debt, by debtor, exceeding \$10,000.
- The Debtor Day Ratio, being the average number of days taken for the City to receive payment from its customers for invoices issued to them.

FINANCIAL IMPLICATIONS

It is a requirement that annual financial statements include an allowance for impairment of receivables owed to the local government to be recognised as a cost to the budget in the year in which the impairment is made.

**Minutes – Ordinary Meeting of Council
22 June 2022**



As at the year ending 30 June 2021 an amount of \$170,969 was held as an allowance for impairment of receivables. As at 30 April 2022, the current allowance held as impairment is \$168,935 with one debt being written off to date in the 2021/22 financial year.

During this financial year the following reportable write-offs and waivers have been processed against this account:

Total Write-offs	\$ 2,034
Total Waivers	_____nil
Total	\$2,034

Since the last report, no further waivers or write-offs by officers for debts valued at \$1,000 or above have occurred.

Summary of Sundry Debtors

Debts Written-off year to date:

Debtor No.	Name	Amount	Business Unit	Delegated Officer or Council
2019393	City Tours Pty Ltd	2,034	Community Development	Manager Community Development
	TOTAL	2,034		

Debts Waived year to date:

Nil

Summary of Rates Debtors:

Debts Written-off year to date:

Nil

Debts Waived year to date:

Nil

LEGAL IMPLICATIONS

Section 6.12 (1) (c) of the *Local Government Act 1995* provides authority for the Council to write off outstanding monies.



In accordance with section 5.42 and 5.44 of the *Local Government Act 1995* the following delegated authority applies:

- The Chief Executive Officer has delegated authority to write off debts (not including rates or infringement) considered unrecoverable up to \$50,000 per account where, in the opinion of the Chief Executive Officer, all other reasonable avenues of recovery have been exhausted.
- Directors and Managers have various sub-delegated authority to write off debts (not including rates or infringement) considered unrecoverable up to \$20,000 per account where, in the opinion of the Director or Manager, all other reasonable avenues of recovery have been exhausted.

All records of the uses of this delegated authority, to waive or write off debts valued at \$1,000 or above, per debtor, must be reported to the Audit and Risk Management Committee.

Any amount more than \$50,000 is to be written off by Council resolution. A Council resolution authorising the write-off of any bad debt does not prevent Council from reinstating the debt if the future circumstances change and the debt becomes collectable.

CONSULTATION

Nil.

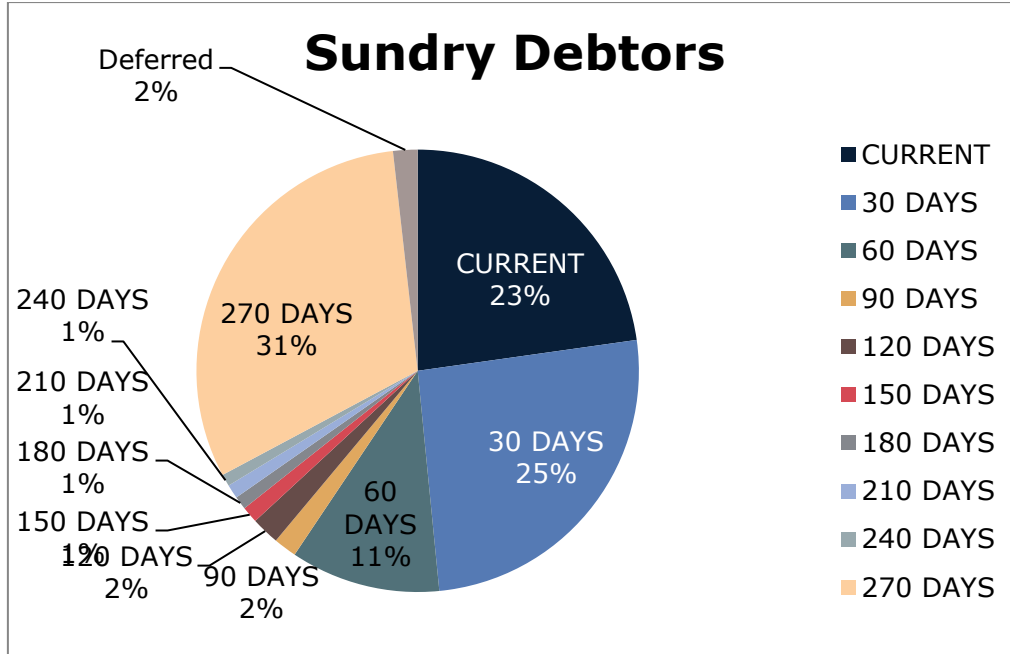
OFFICER COMMENT

The total of debts outstanding as at 30 April 2022 was \$1,172,048. A breakdown of aged debt for the current period compared to prior year is tabled below.

Period	Current (<30 Days)	30-59 Days	60-89 Days	90+ Days	Total
July 21 – April 22	23%	25%	11%	41%	100%
	266,854	300,868	128,374	475,952	1,172,048
July 21 – April 22 Excl. Commercial Properties	22%	13%	21%	44%	100%
	120,694	71,185	110,177	234,694	536,750
July 20 – April 21	533,949	109,113	55,456	613,720	1,312,238



The graph below shows the aged debt balances as at 30 April 2022:



Compared to the report of overdue debtors as at 28 February 2022, presented to Audit and Risk Management Committee at the 20 April 2022 meeting, the total value of outstanding debtors has increased by \$169k. However, the total debt of \$1,172k at 30 April 2022 is \$140k lower than at the same time last year.

Outstanding debt over 90 days has increased from \$456k at the end of the previous reporting date to \$475k. Officers continue to work with debtors to explore options for improving rates of repayment.

The number of overdue debtors over 90 days, and above the total debt reporting threshold of \$10,000, has reduced from 8 to 7. These debtors have a total value owing of \$427k, of which \$396k is over 90 days. The confidential attachment contains details of debtors comprising this balance. Of the total outstanding, \$20,937 is deferred and subject to an agreed payment arrangement to secure payment in full by 30 June 2023.



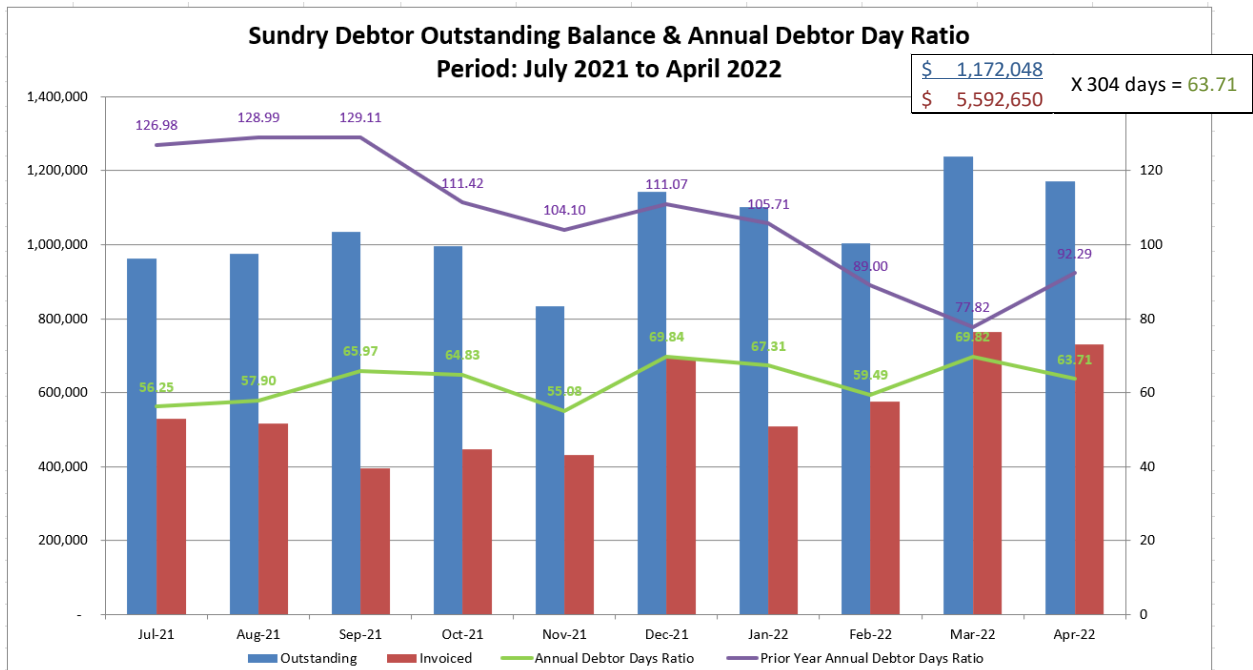
Debtors Outstanding

The Debtor Day Ratio measures how quickly cash is being collected from debtors. The longer it takes for an organisation to collect, the greater the number of debtor days.

The calculation of the ratio considers the total amount outstanding at the end of the period over the total amount invoiced to that period for the financial year by the total number of days from 1 July to the end of the period. See calculation in the graph below.

Prior financial year information is presented together with the current financial year as a comparative to demonstrate the City’s ability to collect funds owed to the City when due.

At 1st July 2021, \$892,055 of invoices raised prior to 2021/22 were outstanding resulting in outstanding debt exceeding the amount invoiced during July 2021.



As at 30 April 2022, the Debtor Day Ratio was 63.71 – being a slight increase from the prior reporting period two months ago. Of outstanding debt, 23% related to current invoices that were not yet due.



Key Performance Indicators

The Audit and Risk Management Committee recommended performance measures be developed to show a reporting date ‘snapshot’ of debt collection performance.

Internal debt management procedures have been reviewed resulting in officers engaging with debtors earlier where an amount is considered to have an increased risk of default. Upon review of debt levels over prior financial years, officers recommend the following key performance targets to show the distribution of aged debtors that the City is aiming for:

Key Performance Targets					
Age of Debt	Current	30-59 Days	60-89 Days	90 Days or more	Total
Target	80% or more	no more than 10%	no more than 5%	no more than 5%	100%

The following table reports the City’s debtor portfolio against these key performance targets as at April 2022:

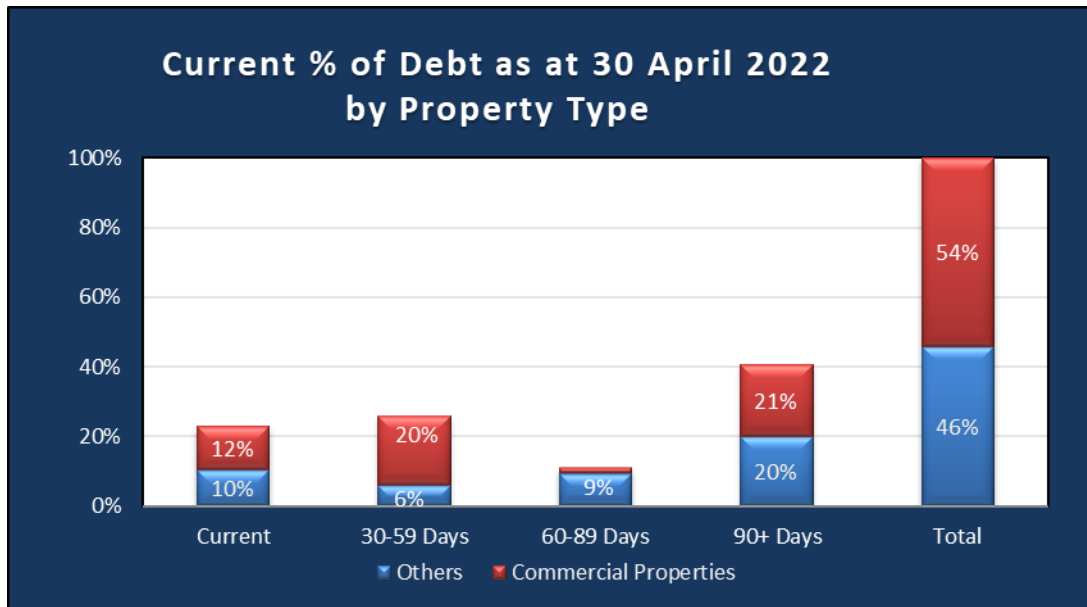
As at 30th April 2022					
Aged Debt Category	Current	30-59 Days	60-89 Days	90+ Days	Total
Target % of Dbt	80%	10%	5%	5%	100%
Current Value of Debt	266,854	300,868	128,374	475,952	1,172,048
Current % of Debt	22.77%	25.67%	10.95%	40.61%	100.00%
Target Met / Not Met					

For the last two reporting periods, the percentage of debt that was ‘current’ held steady at around 40%. However, this reporting period has seen a sharp decrease of debt in this bracket to just 23%, with the overall debt portfolio concentrating in the 30-59 days bracket.

Meanwhile, we have seen the percentage of debt that is outstanding 90 days or more slightly decline – down from 45% in the last reporting period to 41% at the end of April 2022. This debt bracket is slowly shifting up to the 60-89 days bracket, which stands at 11% at the end of April, compared to just 4% in the last reporting period.



The Current Value of Debt by Age category is shown in the graph below, split between Commercial Properties and Other (non-Commercial) Property Types:



Of total overdue debt, Commercial Properties account for 54% (\$635k), and account for 21% of the debt owing 90 days or more (\$241k). Deferred payment arrangements are currently in place for \$20,937 of total overdue Commercial Property debts.

City officers continue to liaise with all commercial tenants to provide assistance, including payment arrangements, where appropriate.

Impact of COVID on Commercial Property

In response to COVID-19, the State Government created legislation and guidelines aimed at protecting commercial tenants who may have been subject to financial duress as a result of the pandemic.

The City adhered to the legislation and guidelines in order to support its commercial tenants and opted to provide rent waivers in cases where tenants could demonstrate financial loss as a result of COVID-19.

During the emergency period (April 2020 – September 2020) landlords were required to provide waivers of up to 100%. The waivers during this period were to be provided commensurate with any loss that could be demonstrated by the business as a result to COVID-19.



During the recovery period (October 2020 – March 2021) landlords were required to provide waivers up to 50%. The waivers during this period were to be provided commensurate with any loss that could be demonstrated by the business as a result to COVID-19.

As at 1 April 2021 all COVID-19 waiver arrangements came to an end and 100% of normal rent is now payable.

The total amount waived for commercial properties relating to COVID-19 during both the emergency period and recovery period was **\$656,975**.

After waivers the City invoiced a total of **\$492,579** for commercial properties.

To date, of the \$492,579 only **\$20,937** remains outstanding a reduction, since the prior reporting period, of \$1,258 (0.26%), with all debtors currently successfully paying this back via direct debit arrangements.

VOTING AND OTHER SPECIAL REQUIREMENTS

Simple majority required

COUNCIL DECISION ITEM ARMC2206-3 (Committee recommendation)

Moved: Mayor Hannah Fitzhardinge Seconded: Cr Andrew Sullivan

Council receive the Overdue Debtors Report as at 30 April 2022, and the confidential attachment listing overdue debts exceeding 90 days with the combined value, by debtor, exceeding \$10,000 as at 30 April 2022.

Carried en bloc: 11/0

**Mayor Hannah Fitzhardinge, Cr Jenny Archibald, Cr Su Groome, Cr Geoff Graham,
Cr Fedele Camarda, Cr Ben Lawver, Cr Frank Mofflin, Cr Bryn Jones,
Cr Marija Vujcic, Cr Andrew Sullivan, Cr Adin Lang**



ARMC2206-4 TENDERS AWARDED UNDER DELEGATION MARCH TO APRIL 2022

Meeting date: 15 June 2022
Responsible officer: Manager Financial Services
Decision making authority: Council
Attachments: Nil
Additional information: Nil

SUMMARY

The purpose of this report is to summarise tenders awarded under delegation by various delegated officers and committees during the period March to April 2022.

This report recommends that Council acknowledge that no tenders were awarded under delegation for March to April 2022.

BACKGROUND

Tenders awarded by the City are awarded under the following delegations, approved at Council on 8 July 2021:

Delegated Authority	Amount of Delegation
Finance, Policy Operations and Legislation Committee	\$500,000+ (if within budget)
CEO	Up to \$500,000
Directors	Up to \$500,000

Items identified under 'Officer Comment' of this report detail tenders awarded under delegation.

FINANCIAL IMPLICATIONS

Nil.

LEGAL IMPLICATIONS

All tenders awarded met the requirements of Regulations 11A – 24AJ of the *Local Government (Functions and General) Regulations 1996* and S3.57 of the *Local Government Act 1995*.



Under delegation 2.11 Expressions of interest and tenders or the City's Delegated Authority Register, the Chief Executive Officer is required to report the use of this delegation to the Audit and Risk Management Committee.

CONSULTATION

Nil.

OFFICER COMMENT

No tenders were awarded under delegation during this reporting period.

March 2022

Nil.

April 2022

Nil.

VOTING AND OTHER SPECIAL REQUIREMENTS

Simple majority required

COUNCIL DECISION ITEM ARMC2206-4 (Committee recommendation)

Moved: Mayor Hannah Fitzhardinge Seconded: Cr Andrew Sullivan

Council acknowledge that no tenders were awarded under delegation from March to April 2022.

Carried en bloc: 11/0

**Mayor Hannah Fitzhardinge, Cr Jenny Archibald, Cr Su Groome, Cr Geoff Graham,
Cr Fedele Camarda, Cr Ben Lawver, Cr Frank Mofflin, Cr Bryn Jones,
Cr Marija Vujcic, Cr Andrew Sullivan, Cr Adin Lang**



ARMC2206-5 INFORMATION REPORT – JUNE 2022

STATUS REPORT OF COUNCIL MOTIONS – 1 DECEMBER 2021 TO 31 MAY 2022

Responsible officer:	Manager Governance
Attachments:	1. Status Report of Council motions – 1 December 2021 to 31 May 2022
Additional information:	Nil

Best practice principles support the recording and reporting of actions taken on Council decisions to ensure they are implemented, and that the actions are completed in a timely manner.

Where possible, Council decisions are actioned as soon as practicable after a Council meeting; however, there are projects or circumstances that mean some decisions take longer to implement than others. The City keeps a register of all final decisions made at Council and Committee meetings.

The City's motions register does not capture ongoing progress of projects and related activities, only how the initial decision has been, or will be, actioned. For instance, the register will record the adoption of a plan and the actions needed to disseminate and publish that plan, however the register will not include how the actions included in the plan are implemented, only that the plan was adopted appropriately.

The attached register excerpt provides the status of the actions taken by responsible officers in response to all final decisions of council. It has been organised into separate parts for ease of understanding and reference, as attached:

Part 1. Motions incomplete and ongoing in reporting period

The motions included in this section are those decisions that have not yet been fully actioned. Progress comments or explanations are provided.

Part 2. Development Application motions completed in reporting period

The motions included in this section are those decisions about Development Applications (DA's) that have been completed. They have been grouped for ease of reference only.

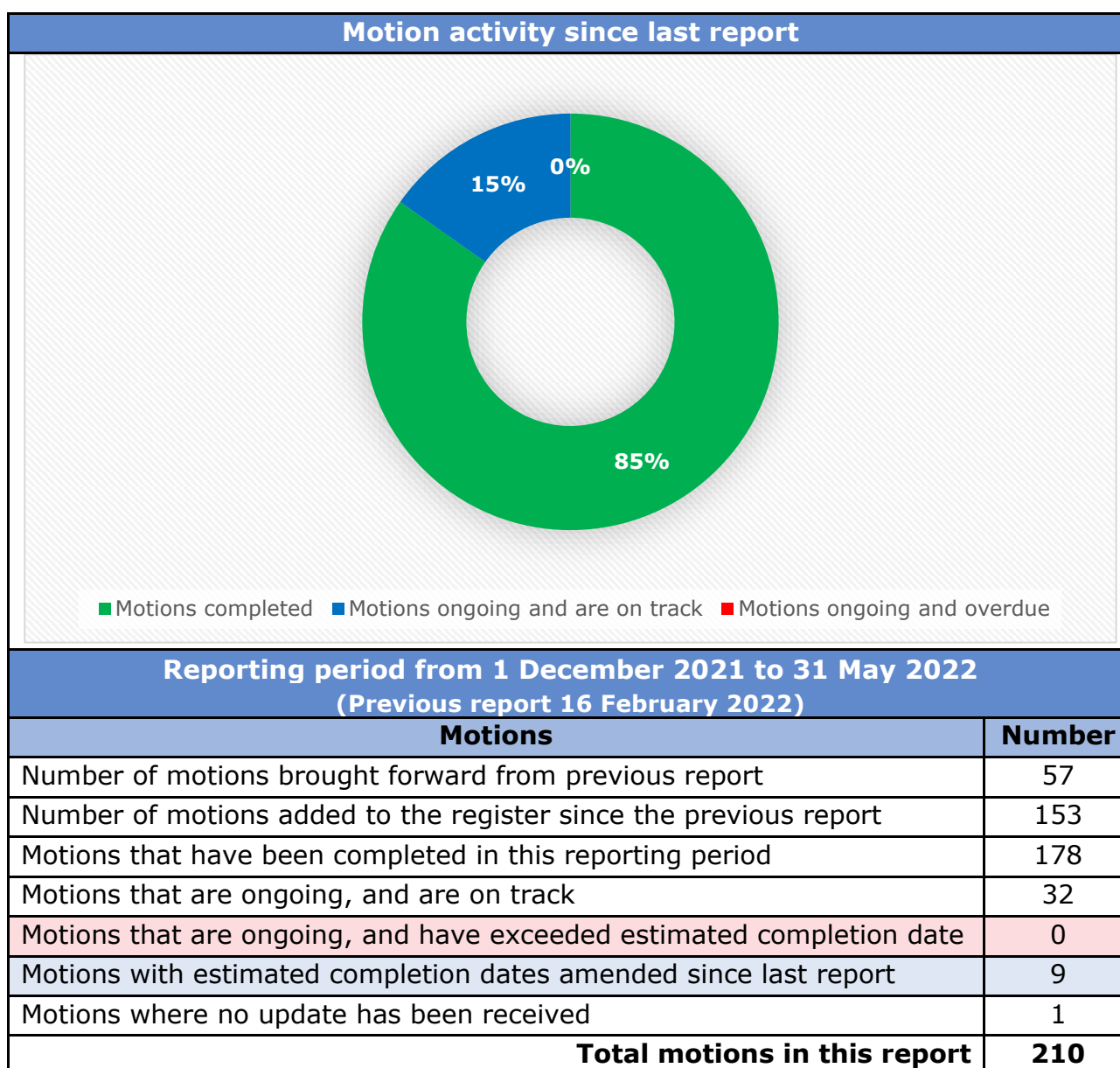
Part 3. Motions other than DA's completed in reporting period

The motions included in this section are all other decisions made by Council (except DA's that have been completed, captured above at part 2).



Part 4. Motions where no action was required in reporting period

The motions included in this section are from those reports that were provided to Council for information only.





STATUS REPORT OF AUDIT ACTIONS TO 31 MAY 2022

Responsible officer:	Manager Governance
Attachments:	<ol style="list-style-type: none">1. Audit actions progress report to 31 May 20222. Information systems audit actions progress report to 31 May 2022 <i>(Confidential attachment under separate cover)</i>
Additional information:	Nil

This report presents the City's central register that captures the progress of all recommended actions agreed to be undertaken by the City as suggested or recommended in an audit or review report.

Information from an audit or review report is inputted into the Audit Actions Register (the register) including recommendations/suggested actions, the responsible officer and the initial comment provided by the responsible Manager/Director to the auditor/reviewer.

When an item is given a rating (as agreed by the City) of "high" or "extreme", the item will be added to the Corporate Risk Register.

The attached report provides a summary of the progress the City has made in response to the recommendations/suggested actions in an audit or review findings report.

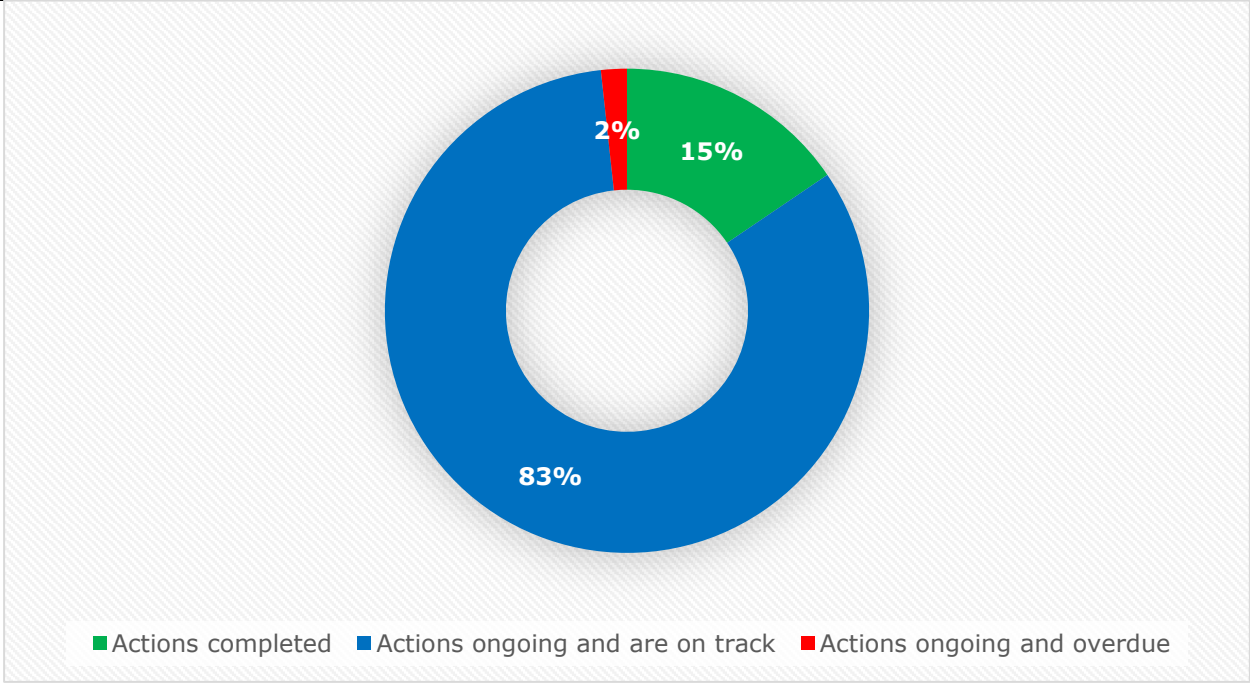
Information Technology Systems audit actions are presented in the confidential attachments under separate cover.

The audits or reviews in this progress report are:

- Systems and Procedures Review
 - Internal Control
 - Risk Management
 - Legislative Compliance
- Regulation of Consumer Food Safety
- Financial Management Review
- Interim Audit – Finance
- Interim Audit – Information Systems
- Annual Financial Statements



Audit action activity since last report



**Reporting period from 1 December 2021 to 31 May 2022
(Previous report 16 February 2022)**

Actions	Number
Number of actions brought forward from previous report	48
Number of actions added to the register since the previous report	10
Actions that have been completed in this reporting period	9
Actions that are ongoing, and are on track	48
Actions that are ongoing, and have exceeded estimated completion date	1
Actions with estimated completion dates amended since last report	37
Actions where no update has been provided	26
Total actions in this report	58



OFFICER'S RECOMMENDATION

Moved: Cr Fedele Camarda

Seconded: Cr Frank Mofflin

Council receive the following information reports for February 2022:

1. Status report of Council motions – 1 December 2021 to 31 May 2022.
2. Status report of audit actions to 31 May 2022.

AMENDMENT

Moved: Mayor Hannah Fitzhardinge

Seconded: Cr Frank Mofflin

Council:

1. Receive the following information reports for February 2022:

- ~~1.~~ **a. Status report of Council motions – 1 December 2021 to 31 May 2022.**
- ~~2.~~ **b. Status report of audit actions to 31 May 2022.**

2. Request that a report on the rollout and implementation of the Risk Management Framework be brought to the next Audit and Risk Management Committee meeting.

Amendment carried: 6/0

**Mayor Hannah Fitzhardinge, Cr Su Groome, Cr Andrew Sullivan
Cr Fedele Camarda, Cr Frank Mofflin, Mr Ben Arnold**



COUNCIL DECISION ITEM ARMC2206-5
(Committee recommendation)

Moved: Mayor Hannah Fitzhardinge Seconded: Cr Andrew Sullivan

Council:

- 1. Receive the following information reports for February 2022:**
 - a. Status report of Council motions – 1 December 2021 to 31 May 2022.**
 - b. Status report of audit actions to 31 May 2022.**
- 2. *Request that a report on the rollout and implementation of the Risk Management Framework be brought to the next Audit and Risk Management Committee meeting.***

Carried en bloc: 11/0

**Mayor Hannah Fitzhardinge, Cr Jenny Archibald, Cr Su Groome, Cr Geoff Graham,
Cr Fedele Camarda, Cr Ben Lawver, Cr Frank Mofflin, Cr Bryn Jones,
Cr Marija Vujcic, Cr Andrew Sullivan, Cr Adin Lang**



ARMC2206-1 WALYALUP CIVIC CENTRE – UPDATE

Meeting date:	15 June 2022
Responsible officer:	Director Infrastructure
Decision making authority:	Council
Attachments:	1. Risk Register Summary (June)
Additional information:	Nil

SUMMARY

This report provides a summary update in respect to the construction contract works for the Walyalup Civic Centre.

The report includes an overview of risks or issues and provides a summary of costs as they relate to the building construction contract, this also includes costs and works associated with the Liquidation of Pindan Pty Ltd and the City's subsequent self-delivery of works.

This report recommends that Council note the update and the progress, management of any outstanding works and costs.

BACKGROUND

The building reached Practical Completion in late October 2021, it subsequently opened to the public and commenced service delivery on 22 November 2021.

On 25 November a flooding incident occurred in the lower ground plant room area. The implications of this were significant and the building was subsequently closed to staff and the public until 6 December 2021. Rectification works were completed and the building reopened (back to its designed function) on 20 December 2021.

The building is still within the 12 months defect liability period.

FINANCIAL IMPLICATIONS

The City continues to manage costs associated with the delivery and reconciliation of the construction works via a 'Work Breakdown Structure' (WBS), within its financial system (Technology One).

Works relating to the flooding event are currently being finalised and are subject to an insurance claim. The value of works and remediation is now estimated at approximately \$166,789.

In terms of the construction contract, officers are still progressing through the final account / retention release process with contractors and suppliers.

**Minutes – Ordinary Meeting of Council
22 June 2022**



The vast majority of contractors have had their final account and their first 2.5% retention release, the second 2.5% release is activated at the end of the subsequent 12 months defects liability stage.

The total value of contracted works spend is currently \$46,812,343, this is inclusive of adjustments and other additional works which are funded from separate budgets as per the breakdown below:

Available Construction Budget (Building) <i>(Financials as at 7 June 2022)</i>	Budget	Actuals / Spend	Remaining	
			Outstanding	Retentions (to be paid from PBA)
Initial Contract	\$ 41,461,128			
Contingency - 5% (\$600k Ddt'd - moved to Town Hall works)	\$ 1,500,000			
Changing Places (Grant)	\$ 150,000			
Total	\$ 43,111,128	\$43,148,943	-\$37,815	\$ 652,332
Liquidation / Insurance Bonds	\$3,600,000	\$3,321,510	\$278,490	
<i>Other bond (Street trees etc)</i>	\$96,000			
Construction Works Budget	\$ 46,807,128	\$ 46,470,453	\$336,675	
Other Costs - (delivered by Contractors)				
<i>Tenancy Fit out Works</i>	\$219,194	\$ 263,850	-\$44,656	
<i>Town Hall Basement waterproofing (blg maint')</i>	\$47,487	\$ 47,487	\$0	
<i>Kings sq paving inc William St link - (Eng Maint')</i>	\$30,553	\$30,553	\$0	
Overall Payments	\$ 47,104,362	\$ 46,812,343		

The City has paid no further retentions since the last summary report and currently holds \$652,332 in remaining retentions.

There is currently a \$336,675 positive balance against the building construction works budget.

LEGAL IMPLICATIONS

Nil.

CONSULTATION

The project team have continued to actively engage with key stakeholders through the delivery stage of the project.



OFFICER COMMENT

Tenancies

Visitor Centre:

- The facility opened to the public at the end of January 2022.

Newman Court (x2):

- Fit out works to the walls and floors complete – Officers are now procuring works for heating and cooling.

Level 3 / other areas:

- Officers have agreed essential terms for the prospective tenants for a portion of level 3; discussions are underway with prospective tenants for the level 2 area of the triangle and opportunities are being investigated for the remaining areas.
- Officers have submitted a funding request for works to these areas. This is proposed to turn the current 'cold shells' (no services or finishes) in to 'warm shells' (to include heating/cooling, lighting and floor finishes).

Defects

Officers are finalising the last remaining defects; these are expected to be raised and reviewed through to the end of the defects period. The few outstanding defects are minor issues that do not affect building function, occupation, or use.

Officers also have some furniture replacements and improvements to address (mainly chairs and tables) with the suppliers – this is a separate contract from the construction works.

It should be noted that there are continuing challenges in addressing the above defects as a result of COVID (labour, travel, and supply chain implications).

Final payments and retention monies are being withheld until works are completed to both the Architect and City's satisfaction.

Flooding Incident

Further to the flooding event of 25 November 2021, officers have completed the rectification works.

The adjuster has authorised an interim payment of \$47,604.63, further information has been requested detailing consultants and sub-contractor activities and contracts. This information has been provided and the City anticipates an update in respect to a date for the balance of payment shortly.



Officers have programmed the mitigation works to better manage the risk of another failure and subsequent flood.

The above improvement works are being progressed, unfortunately COVID and supply chain issues have delayed immediate completion of some of the works.

Green Mark Engineering have reviewed and are satisfied with the proposed mitigation strategies and proposed improvements. It is currently anticipated that Green Mark Engineering will return to carry out an overflow stress test and provide a final close out report around the end of July.

VOTING AND OTHER SPECIAL REQUIREMENTS

Simple majority required

COMMITTEE RECOMMENDATION ITEM ARMC2206-1 (Officer's recommendation)

Moved: Cr Frank Mofflin

Seconded: Cr Andrew Sullivan

Council note the status as of 15 June 2022 for the Walyalup Civic Centre construction contract, as detailed in this update report provided to the Audit and Risk Management Committee.

Carried: 6/0

**Mayor Hannah Fitzhardinge, Cr Su Groome, Cr Andrew Sullivan
Cr Fedele Camarda, Cr Frank Mofflin, Mr Ben Arnold**



ADDITIONAL OFFICER COMMENT

In reviewing the current status of the financials for the construction budget for the building works at the Walyalup Civic Centre, Committee discussed the financial summary table for the works and requested officers:

- Check the calculations for errors
- Provide better clarity in respect to the format of the table
- Ensure that the table focus only on the works for the Walyalup Civic Centre Building – not other projects / works costs

Officers have reviewed the table and reformatted it to better reflect the status - the revised / updated table is included below.

Construction Budget / Spend (WCC Building Works Only)			Remaining	
<i>(Financials as at 7 June 2022)</i>	Budget	Actuals / Spend	Balance	Retentions
Initial Contract	\$41,461,128			<i>(This provision is held separately - to be paid at the end of defects)</i>
Contingency - 5% (\$600k Dtd - moved to Town Hall works)	\$1,500,000			
Changing Places (Grant)	\$150,000			
Total	\$43,111,128	\$43,148,943	-\$37,815	\$652,332
Liquidation / Insurance Bonds	\$3,600,000	\$3,321,510	\$374,490	
<i>Other bond (Street trees etc)</i>	\$96,000			
Construction Works Budget	\$46,807,128	\$46,470,453	\$336,675	
<i>Other works (Visitor Centre fit-out - overspend)</i>	\$219,194	\$263,850	-\$44,656	
		Remaining Balance	\$292,019	

The figure of \$336,675 is the remaining balance against the building construction budget for the Walyalup Civic Centre works.

There is however an overspend against the fit out works for the Visitor Centre, and although this was outside the scope of the building works it has been agreed this overspend be held against the above remaining balance, as a result the current adjusted remaining balance – shown in the blue box - is now \$292,019.

The City also holds retentions against works already delivered. The value of the retentions held by the City – as shown in the red box – is \$652,332; this sum has already been accounted for in terms of spend. These remaining retentions are held on a separate budget line and will be retained until the end of the twelve month defects period, at which point they will be acquitted / released by the City subject to final satisfactory sign off or works.



AMENDMENT

Moved: Cr Fedele Camarda

Seconded: Cr Bryn Jones

Council:

- 1. Note the status as of 15 June 2022 for the Walyalup Civic Centre construction contract, as detailed in this update report provided to the Audit and Risk Management Committee.**
- 2. Request that a report be prepared and presented at the August round of meetings that provides,**
 - a. a chronological report on the Kings Square Business Plan 2012 and funding of the total cost of the project with columns to include budget expenses, actual expenses and funding.**
 - b. indication of how the City of Fremantle has funded the total project costs of Walyalup Civic Centre beyond the business plan cost of \$45m.**
 - c. the income earning commitment presented in the Kings Square Business Plan 2012 including earnings and projected earnings of the Walyalup Civic Centre.**
 - d. a reconciled account with the draft Annual Financial Statements as at 30 June 2021 with the 2021 and 2022 total project costs identified and added to the total project costs.**

Amendment carried: 11/0

**Mayor Hannah Fitzhardinge, Cr Jenny Archibald, Cr Su Groome, Cr Geoff Graham,
Cr Fedele Camarda, Cr Ben Lawver, Cr Frank Mofflin, Cr Bryn Jones,
Cr Marija Vujcic, Cr Andrew Sullivan, Cr Adin Lang**

Reason for change:

Misunderstanding related to the Walyalup Civic Centre budget continues to cause confusion in the community. I would like the City to prepare a comprehensive and transparent report that allows us to move on from this issue.



COUNCIL DECISION ITEM ARMC2206-1
(Committee recommendation, as amended)

Moved: Mayor Hannah Fitzhardinge Seconded: Cr Su Groome

Council:

- 1. Note the status as of 15 June 2022 for the Walyalup Civic Centre construction contract, as detailed in this update report provided to the Audit and Risk Management Committee.**
- 2. Request that a report be prepared and presented at the August round of meetings that provides,**
 - a. a chronological report on the Kings Square Business Plan 2012 and funding of the total cost of the project with columns to include budget expenses, actual expenses and funding.**
 - b. indication of how the City of Fremantle has funded the total project costs of Walyalup Civic Centre beyond the business plan cost of \$45m.**
 - c. the income earning commitment presented in the Kings Square Business Plan 2012 including earnings and projected earnings of the Walyalup Civic Centre.**
 - d. a reconciled account with the draft Annual Financial Statements as at 30 June 2021 with the 2021 and 2022 total project costs identified and added to the total project costs.**

Carried: 11/0

**Mayor Hannah Fitzhardinge, Cr Jenny Archibald, Cr Su Groome, Cr Geoff Graham,
Cr Fedele Camarda, Cr Ben Lawver, Cr Frank Mofflin, Cr Bryn Jones,
Cr Marija Vujcic, Cr Andrew Sullivan, Cr Adin Lang**



12. Reports and recommendations from officers

Cr Geoff Graham left the meeting at 8.00 pm and was absent during discussion and voting of the following items.

ITEMS APPROVED "EN BLOC"

The following items were adopted unopposed and without discussion "en bloc" as recommended.

COUNCIL DECISION

Moved: Mayor Hannah Fitzhardinge Seconded: Cr Bryn Jones

The following items be adopted en bloc as recommended:

C2206-1	MONTHLY FINANCIAL REPORT - MAY 2022
C2206-2	STATEMENT OF INVESTMENTS – APRIL 2022
C2206-3	SCHEDULE OF PAYMENTS – MAY 2022

Carried en bloc: 10/0

**Mayor Hannah Fitzhardinge, Cr Jenny Archibald, Cr Su Groome,
Cr Fedele Camarda, Cr Ben Lawver, Cr Frank Mofflin, Cr Bryn Jones,
Cr Marija Vujcic, Cr Andrew Sullivan, Cr Adin Lang**



C2206-1 MONTHLY FINANCIAL REPORT - MAY 2022

Meeting date:	22 June 2022
Responsible officer:	Manager Financial Services
Decision making authority:	Council
Attachments:	1. Monthly Financial Report – May 2022
Additional information:	Nil

SUMMARY

The monthly financial report for the period ending 31 May 2022 has been prepared and tabled in accordance with the *Local Government (Financial Management) Regulations 1996*.

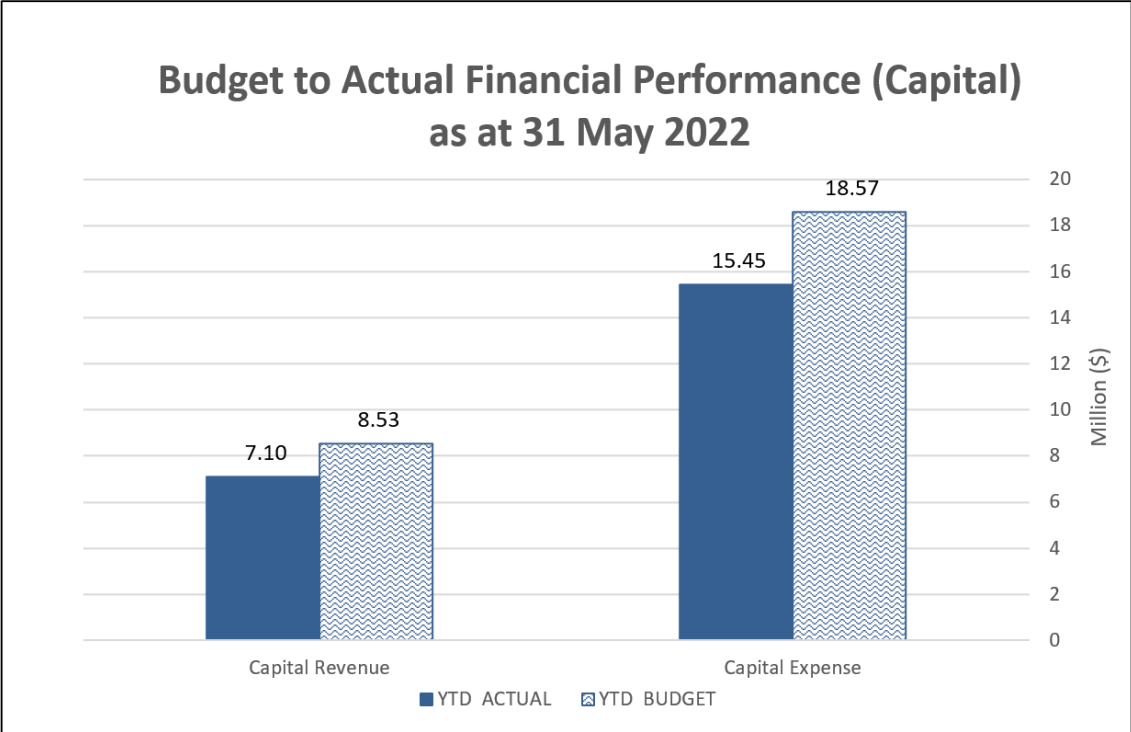
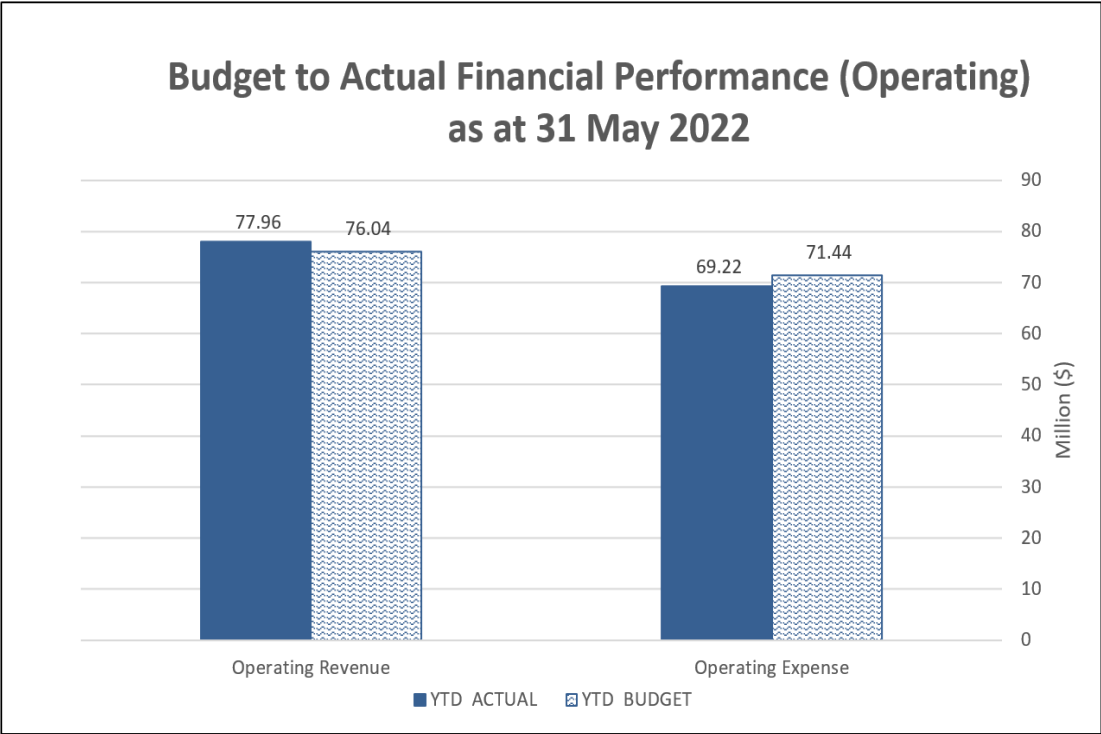
This report provides an analysis of financial performance for May 2022 based on the following statements:

- **Statement of Comprehensive Income by Nature & Type and by Program;**
- **Rate Setting Statement by Nature & Type and by Directorate; and**
- **Statement of Financial Position with Net Current Assets.**

The budget figures in this report include the Mid-Year Review budget amendments adopted by Council on 23 March 2022 (Item C2203-4 Budget Review 2021-2022) and any subsequent amendments thereafter. Further, this financial report for the period ending 31 May 2022 is prepared considering accrued interest on borrowings (loans) and prepaid insurance premiums.

BACKGROUND

The following graph and table provide a high-level summary of the Council's year to date financial performance as at 31 May 2022.





**RATE SETTING STATEMENT – BY NATURE AND TYPE
FOR THE PERIOD TO 31 MAY 2022**

Below is a summary of the year-to-date Rate Setting Statement, by Nature and Type, to 31 May 2022. The detailed Statement can be found in the attached Financial Report.

Description	YTD Amended Budget \$M	Actual YTD \$M	Variance \$M	Variance %
Opening Surplus	3.72	15.06	11.34	304.43%
Operating				
Rate Revenue	50.28	50.08	(0.21)	(0.41%)
Revenue	25.76	27.88	2.12	8.23%
Expenses	(71.44)	(69.22)	2.22	3.11%
Non-Cash Adj.	8.84	8.91	0.07	0.79%
	13.43	17.65	4.21	31.35%
Investing				
Capital Revenue	8.53	7.10	(1.43)	(16.81%)
Capital Expenses	(18.57)	(15.45)	3.12	16.83%
	(10.04)	(8.35)	1.69	16.84%
Financing				
Repayment Loans & Leases	(2.01)	(2.03)	(0.02)	1.14%
Reserve Transfers	10.76	9.53	(1.23)	(11.47%)
	8.75	7.50	(1.25)	(14.36%)
Closing Surplus	15.87	31.86	15.98	100.68%



STATEMENT OF COMPREHENSIVE INCOME – BY NATURE AND TYPE FOR THE PERIOD TO 31 MAY 2022

As detailed in the Statement of Comprehensive Income by Nature and Type, operating income and expenses have varied to the Amended Budget as follows:

Description	YTD Amended Budget \$M	YTD Actual \$	Variance \$	Variance %
Operating Income				
Rates (including Annual Levy)	50,458,592	50,251,586	(207,006)	(0.41%)
Service Charges	7,192	8,804	1,612	22.41%
Op.Grants, Subsidies & Cont'bns	3,471,925	4,306,274	834,349	24.03%
Fees and Charges	20,233,418	21,017,413	783,995	3.87%
Interest Earnings	616,604	598,085	(18,519)	(3.00%)
Reimbursement Income	848,940	1,110,561	261,621	30.82%
Other Income	406,001	665,498	259,497	63.92%
Total	76,042,672	77,958,222	1,915,550	2.52%
Operating Expenses				
Employee Costs	(33,662,706)	(33,971,348)	(308,642)	(0.92%)
Employee costs - Agency Labour	(1,404,502)	(1,584,705)	(180,203)	(12.83%)
Materials and Contracts	(22,889,775)	(20,476,956)	2,412,818	10.54%
Depreciation – Non-Curr. Assets	(8,841,299)	(8,822,456)	18,843	0.21%
Interest Expenses	(343,013)	(422,395)	(79,382)	(23.14%)
Utility Charges	(1,650,147)	(1,443,885)	206,262	12.50%
Insurance Expenses	(851,630)	(877,522)	(25,892)	(3.04%)
Other Expenditure	(1,799,889)	(1,624,787)	175,102	9.73%
Total	(71,442,961)	(69,224,055)	2,218,906	3.11%

Further explanation of material variances can be found under Officer's Comments below.

FINANCIAL IMPLICATIONS

This report is provided to enable Council to assess how revenue and expenditure are tracked against the budget. It is also provided to identify any budget issues of which the Council should be informed.

LEGAL IMPLICATIONS

Local Government (Financial Management) Regulation 34 requires a monthly financial activity statement and an explanation of any material variances to be prepared and presented to an ordinary council meeting.



CONSULTATION

Nil

OFFICER'S COMMENT

Year to date, as at the end of May 2022, the City of Fremantle is carrying an additional surplus of \$15,981,836 over the budget anticipated, which is mainly due to:

Favourable variances against the year-to-date budget:

- Additional carry forward funds from the 2020-21 financial year of \$11,337k.
 - Note: This reported opening position is a draft position as presented at the time of preparation of this report and is subject to change on account of the end of year closing journals, accruals etc. A final opening position for the 2021-22 financial year will be determined upon completion of the City's external audit.
- Increased Operating Grants, Subsidies and Contributions of \$834k;
 - Note: \$907k was received in advance from the Department of Local Government, Sport and Cultural Industries for the 2022-23 financial year. In effect, Operating Grants, Subsidies and Contributions is \$73k unfavourable year to date as at May 2022.
- Increased Fees and Charges revenue of \$784k;
- Increased Reimbursement and Other Income of \$521k;
- Reduced operating expenditure of \$2,219k; and
- Reduced capital expenditure of \$3,125k.

These favourable variances were partially offset by:

- Reduction in Capital Grants, Subsidies and Contributions for the development of Assets of \$1,460k; and
- Reduction in transfers from Reserves (Capital) of \$1,102k.

More details on these material variances can be found below.

An unfavourable variance of \$205k for Rates Income is also being reported. This is largely due to a significant adjustment to reflect the reduced valuation of the Woolstores Shopping Centre and Carpark, as notified by Landgate. The valuation decreased by approximately \$2m, resulting in a reduction in expected Rates revenue of \$133k.



Explanation of Material Variances

In accordance with regulation 34(5) of the Local Government (Financial Management) Regulations 1996 and AASB 1031 Materiality, Council adopted the level to be used in statements of financial activity in FY2021/22 for reporting material variances as 10% or \$100,000, whichever is greater (Item C2106-1 refers Council meeting on 23 June 2021).

The material variance thresholds are adopted annually by Council and indicate whether actual expenditure or revenue varies materially from the year to date budget. The following is an explanation of significant operating and capital variances to budget as identified in the Rate Setting Statement by Nature and Type.

The below comments are to be read in conjunction with the Rate Setting Statement in the attached Monthly Financial Report – May 2022:

Description	Variance Amount		Comment
Net current assets at the start of the financial year	11,337,279		304.43%
			The explanation for the above variance was reported to Council via FPOL2202-3 [Draft Annual Financial Statements 2020-21] on 23 March 2022, and explained in previous monthly financial reports for 2021-22.
Operating Grants, Subsidies and Contributions	834,349		24.03%
Major Variances:			
Receive general purpose grants and contributions	909,820		Timing variance: The majority of this amount - \$907,807 – is an advance payment for the 2022-23 Financial Assistance Grant from the Department of Local Government, Sport and Cultural Industries. It will be carried forward to be spent in the next financial year.
Conduct Art Centre special events	99,085		Timing variance: The City received a grant in advance and it will be carried forward to be spent in the 22/23 financial year.
Operate Fremantle arts centre	(107,459)		Timing variance: The grant is expected to be received in June.
Fees and Charges	783,995		3.87%




**Minutes – Ordinary Meeting of Council
22 June 2022**





Description	Variance Amount	Comment
Major Variances:		
Parking Infringements	389,375	Favourable variance: Incidents of parking infringements higher than budgeted.
Lease – Fremantle Markets	141,817	Favourable variance: Higher rent income than budgeted.
Reimbursement Income	261,621	▲ 30.82%
Major Variances:		
Administer the emergency services levy (ESL)	74,588	Timing variance: Budget is allocated to be spent in June.
Administer Long Service Leave transfers	57,736	Favourable variance: Staff Long Service Leave reimbursements were received from other local authorities. No budget is allocated for this item.
Containers for Change	50,968	Favourable variance: Due to higher interest from the community, the number of containers received for recycling has increased more than anticipated.
Lease Union Store 41-47 High Street Fremantle	32,550	Favourable variance: This is related to lease rental income generated from the Union Store. There was no budget allocated for this item.
Other Revenue	259,525	▲ 63.92%
Major Variances:		
Miscellaneous Revenue – Monitor financial accounting processes	141,064	Favourable variance: Recoupment of various unclaimed bonds that have been held in the Trust Fund for more than 10 years, and have now been transferred to the Municipal Fund.
WCC Flood Damage	47,065	Favourable variance: Receipt of an insurance settlement for the WCC flood damage claim.
Employee Costs	488,845	▼ 1.39%
Major Variances:		
Employee Costs	308,642	Timing variance: This is the result of the leave provision adjustment not being posted yet. This balance will be adjusted as part of the end of year process in June 2022.
Employee Costs – Agency Labour	180,203	Unfavourable variance: Overspend on agency labour during the first half of the year. Most were addressed during Mid-Year Budget Review. However, three items were overlooked

**Minutes – Ordinary Meeting of Council
22 June 2022**






Description	Variance Amount	Comment
		when requesting approval for Budget Amendments.
Materials and Contracts	2,412,818	 10.54%
Major Variances:		
Maintain fixed and wireless network infrastructure	156,620	Timing variance: Mainly due to delays in receiving and processing invoices. In addition, a journal is being prepared to correct the equipment lease transactions.
Conduct Street arts festival	147,556	Timing variance: This budget covers the costs of the festivals that are being planned in early 22/23 financial year. Budget to be utilised in June.
Maintain Road Drainage	141,465	Timing variance: Delay in receiving and processing invoices. However, a saving is expected.
Manage destination marketing plan implementation	123,638	Timing variance: Budget is expected to be utilised in this financial year.
Operate and maintain parking ticket machines	121,654	Favourable variance: Actual parking ticket machine maintenance costs have been less than budgeted.
Domestic - collect & dispose - recycled waste	106,682	Timing variance: Delay in receiving and processing invoices.
Maintain internet cloud and other hosted technologies	105,833	Timing variance: Delay in receiving invoices. However, saving is expected.
Maintain Soft Landscaping - Recreation Reserves	104,350	Timing variance: Delay in receiving and processing invoices.
Maintain Medians, Verges And Street Gardens	101,450	Timing variance – Delay in receiving and processing invoices (April & May).
Collect & dispose green waste (Verge)	100,041	Accounting variance: A journal will be prepared to transfer the costs from where they have been allocated to this activity.
Interest Expense	79,382	 23.14%
Interest on borrowings	79,382	Timing variance: The year to date budget it on a cash basis, whereas the actuals are on an accrual basis.
Utility Charges (gas, electricity, water)	206,262	 12.50%
Major Variances:		



Description	Variance Amount	Comment
Contribute to public street lighting	118,223	Timing variance: Delay in receiving and processing invoices.
Operate Fremantle leisure centre (administration)	41,299	Timing variance: Delay in receiving and processing invoices.
Capital Grants and Subsidies/ Contributions for the development of Assets	1,459,739	 17.13%
Major Variances:		
P-12058 Design and construct - Booyeembara Park - Bike trail	646,825	Timing variance: LotteryWest grant payments are associated with the project milestone achievements. Therefore, the grant to be received in 22/23 financial year.
P-11823 Design and construct-Port Beach coastal adaptation	286,287	Timing variance: Project has been delayed in awarding of the Sand Nourishment contract. However, the full grant to be received in the next financial year.
P-12047 Road safety - Wiluna and Hope - Intersection	104,133	Timing variance: Grant to be received in this financial year.
P-12065 Design and construct - Frank Gibson - Lighting 2	99,969	Timing variance: The original budget for this project was for \$150k and it was fully funded by Fremantle Netball Association. However, based on the scope of work the estimated project spend was approx. \$100k. Currently, project is complete. Therefore, it is expected for the balance grant to be received within this financial year. In addition, a budget amendment will be prepared to reflect the reduction in grant.
Capital Expense Purchase – Infrastructure Roads	336,457	 15.60%
Major Variances:		
P-12002 Resurface - MRRG - Hampton Rd (SB)	77,127	Timing variance: Project works are ongoing and it is expected to be completed in 22/23 financial year.
P-12001 Resurface - MRRG - Hampton Rd (NB)	51,321	Timing variance: Project works are ongoing and it is expected to be completed in 22/23 financial year.
P-12047 Road safety - Wiluna and Hope - Intersection	41,027	Timing variance: Project works are ongoing and it is expected to be completed in 22/23 financial year.

**Minutes – Ordinary Meeting of Council
22 June 2022**



Description	Variance Amount	Comment
P-12009 Resurface - R2R - Marshall Way	38,786	Timing variance: Project works are ongoing and it is expected to be completed in 22/23 financial year.
Capital Expense Purchase – Infrastructure Paths	122,874	 76.80%
Major Variances:		
P-12049 Footpath - Duffield Ave	80,000	Timing variance: Project is in design stage and the works will be completed in 22/23 financial year.
Capital Expense Purchase – Infrastructure Parks	1,425,887	 48.42%
Major Variances:		
P-12058 Design and construct - Booyeembara Park - Bike trail	815,352	Timing variance: Construction works are forecasted in the second quarter of 22/23 financial year. Therefore, the budget to be carried forward.
P-10295 Design and construct-Kings Square Public Realm Newman	250,440	Favourable variance: Project has reached practical completion. Savings are from the reduction of works scope related to the High Street area. This saving will be utilised for the Town Hall fire suppression system project.
P-12027 Design and construct - Griffiths Park - Upgrade	104,427	Timing variance: Initially, the project was tendered in November 2021, with all offers rejected and it was retendered in May 2022. Currently, it is under evaluation and the construction works are to commence early in the 22/23 financial year.
P-12065 Design and construct - Frank Gibson - Lighting 2	84,325	Favourable variance: The original budget for this project was for \$150k. However, based on the scope of work the estimated project spend was approx. \$100k. Currently, the project is complete and awaiting final invoices to be processed. Also, a budget amendment needs to be prepared to reflect the reduction in expenditure.
Capital Expense Purchase – Infrastructure - Other	233,900	 21.46%
Major Variances:		



Description	Variance Amount	Comment
P-12138 Design and construct - John St Riverwall Replacement	170,808	Timing variance: In May, the City was successful in obtaining a Riverbank grant. However, the project expenditure is expected in FY 22/23. Therefore, the budget is to be carried forward.
P-12032 Purchase - FOGO bins - Multi unit dwellings	32,151	Timing variance: Unspent project budget to be carried forward to FY 22/23.
Purchase Plant & Equipment	110,189	▲ 14.00%
Major Variances:		
P-12041 Program - Ticket machines	56,000	Timing variance: Budget is expected to be utilised within this financial year.
Purchase Furniture & Fittings	361,138	▲ 97.93%
Major Variances:		
P-12036 Purchase - Parking licence plate recognition cameras	180,000	Timing variance: Other activities need to be completed prior to proceeding with plate recognition camera technology. Therefore, the budget is to be carried forward to FY22/23.
P-11909 Software - Firewall security	50,000	Timing variance: Software has been ordered and expected to be delivered within this financial year.
P-11077 Install-Kings Square Network infrastructure Queensgate	34,638	Timing variance: This project is dependent on the WCC Data Centre being fully operational. Therefore, the budget is expected to be carried forward to FY22/23.
Reserve Transfers	(1,234,554)	▼ (11.47%)
Transfer from Reserve (Restricted) - Capital	(1,101,673)	Timing variance: Variance is primarily attributed to an underspend on capital works for various reasons mentioned above, therefore, the required funding from Reserves is less than budgeted. Those works will be carried forward into next year.
Transfer from Reserve (Restricted) - Operating	(124,115)	Timing variance: variance is primarily attributed to an underspend on operating works funded by Reserves. Those works will be carried forward into next year.
Overall comments on Reserve Transfers: Progress on some capital works projects slowed as the City experienced supply chain delays in relation to materials as a consequence of COVID-19. Officers continue to monitor for any issues that may result in delayed delivery and for any potential carry forwards to 2022-23. Capital revenue has been largely unaffected however it is anticipated that Reserve transfers to fund the projects' expenditures may not		



Description	Variance Amount	Comment
occur in 2021-22 as had been budgeted. Transfers will continue to be processed as costs are realised.		

VOTING AND OTHER SPECIAL REQUIREMENTS

Simple majority required

COUNCIL DECISION ITEM C2206-1 **(Officer recommendation)**

Moved: Mayor Hannah Fitzhardinge Seconded: Cr Bryn Jones

Council receive the Monthly Financial Report, as provided in the Attachment, including the Statement of Comprehensive Income, Statement of Financial Activity, Statement of Financial Position and Statement of Net Current Assets, for the period ended 31 May 2022.

Carried en bloc: 10/0

**Mayor Hannah Fitzhardinge, Cr Jenny Archibald, Cr Su Groome,
Cr Fedele Camarda, Cr Ben Lawver, Cr Frank Mofflin, Cr Bryn Jones,
Cr Marija Vujcic, Cr Andrew Sullivan, Cr Adin Lang**



C2206-2 STATEMENT OF INVESTMENTS – APRIL 2022

Meeting date:	22 June 2022
Responsible officer:	Manager Financial Services
Decision making authority:	Council
Attachments:	1. Statement of Investments – 31 May 2022
Additional information:	Nil

SUMMARY

This report outlines the investment of surplus funds for the month ending 31 May 2022 and provides information on these investments for Council consideration.

This report recommends that Council receive the Investment Report for the month ended 31 May 2022, as provided in Attachment 1.

The investment report provides a snapshot of the City’s investment portfolio and includes:

- **Portfolio details as at 31 May 2022;**
- **Portfolio counterparty credit framework;**
- **Portfolio liquidity with term to maturity;**
- **Portfolio fossil fuel summary;**
- **Interest income earned for the month; and**
- **Investing activities for the month.**

BACKGROUND

In accordance with the Investment Policy adopted by Council, the City of Fremantle (the City) invests its surplus funds, long term cash, current assets and other funds in authorised investments as outlined in the policy.

Due to timing differences between receiving revenue and the expenditure of funds, surplus funds may be held by the City for a period of time. To maximise returns and maintain a low level of credit risk, the City invests these funds in appropriately rated and liquid investments, until such time as the City requires the money for expenditure.

The City has committed to carbon neutrality and to this end seeks to ensure its financial investments consider the City’s One Planet Fremantle Strategy. The City therefore seeks to limit investments in financial institutions which support, either directly or indirectly, fossil fuel companies, while balancing compliance with the investment policy.



FINANCIAL IMPLICATIONS

Investment interest earned year to date is \$194,563 against a budget of \$188,604, and a full year adopted budget of \$200,000.

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 0.61% for the month of 31 May 2022. The City's actual portfolio return in the last 12 months is 0.34%, which compares favourably to the benchmark Bloomberg AusBond Bill Index reference rate of 0.05% (refer Attachment 1 point 8).

LEGAL IMPLICATIONS

The following legislation is relevant to this report:

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

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

CONSULTATION

Nil

OFFICER COMMENT

A comprehensive Investment Report for the month ending 31 May 2022 has been provided by our Investment Portfolio Manager and can be viewed in Attachment. A summary of the investment report is provided below.

1. Portfolio details

As at 31 May 2022, the City's investment portfolio totalled \$40.32m. The market value was \$40.40m, which takes into account accrued interest.



The investment portfolio is made up of:

Cash Investments (<= 3 months)	\$ 7.82m
Term Deposits (> 3 months)	\$ 32.50m
TOTAL	\$ 40.32m

Of which:

Unrestricted cash	\$ 37.22m
Restricted cash (Reserve Funds)	\$ 3.10m
TOTAL	\$ 40.32m

The current amount of \$37.22m held as unrestricted cash represents 48.0% of the total adopted budget for operating revenue (\$77.76m)

2. Portfolio counterparty credit framework

The City’s Investment policy determines the maximum amount to be invested in any one financial institution based on the credit rating of the financial institution. Council adopted amendments to this policy at its Ordinary Council Meeting held on 25 November 2020, and the current adopted counterparty credit framework is as below.

Counterparty credit framework

Investments are not to exceed the following percentages of average annual funds invested with any one financial institution and consideration should be given to the relationship between credit rating and interest rate.

Credit quality	Maximum % of total investments
Tier 1 (excl. AAA government) AAA to AA-	45%
Tier 2 A+ to A-	25%
Tier 3 BBB+ to BBB-	10%
Tier 4 Unrated	(\$1m)

The funds invested as at 31 May 2022 per the City’s investment portfolio, relative to the threshold allowed by the investment policy, are outlined below:

Portfolio Credit Framework Limits As at 31 May 2022

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Tier	Allocation	Allocation %	Maximum Allocation %	% Used of Maximum Allocation	% Available of Maximum Allocation	% Exceeded of Maximum Allocation
Tier 1	7,772,104.55	19.27%	100.00%	19.27%	80.73%	0.00%
Tier 2	24,051,995.56	59.65%	60.00%	99.42%	0.58%	0.00%
Tier 3	8,500,000.00	21.08%	35.00%	60.23%	39.77%	0.00%
Tier 4	0.00	0.00%	15.00%	0.00%	100.00%	0.00%
40,324,100.11						

Values used in the above calculations exclude interest for term deposits and other simple interest securities.



As reported in the above graphs, the portfolio was compliant with the issuer trading limit.

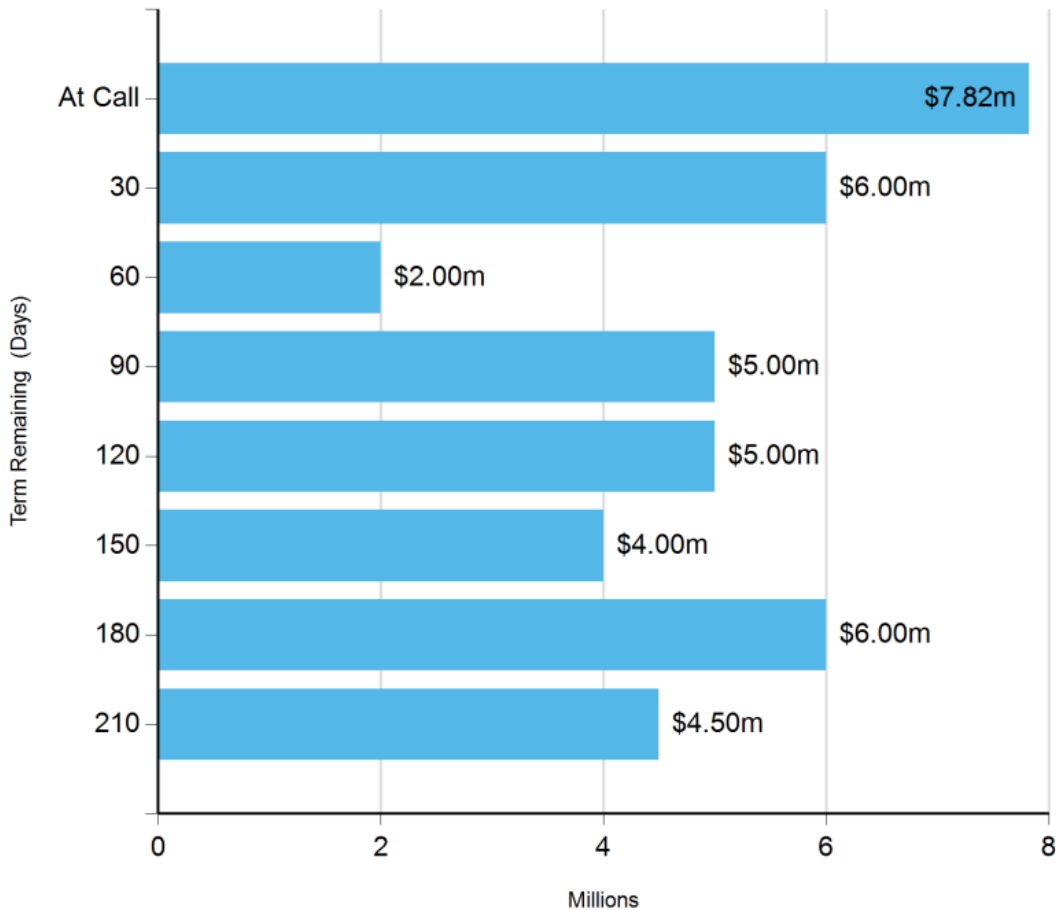
3. Portfolio Liquidity Indicator

Investments are to be made in a manner to ensure sufficient liquidity to meet all reasonably anticipated cash flow requirements, without incurring significant costs due to the unanticipated sale of an investment.

The below graph provides details on the maturity timing of the City’s investment portfolio as at 31 May 2022. Currently, all investments will mature in one year or less.



Face Value by Term Remaining



4. Portfolio Summary by Fossil Fuels Lending Authorised Deposit-Taking Institutions (ADIs)

To support the City’s ability to undertake greater fossil fuel divestment, a review of the Investment Policy was presented and adopted by Council on 25 November 2020 which incorporated a minor change to the investment framework to increase the percentages allocated to tier 3 and tier 4 categories, allowing greater flexibility. Since December 2020 investments have been made in accordance with the revised policy to increase the percentage invested in “Green Investments”; being ADIs that do not lend to industries engaged in the exploration for, or production of, fossil fuels (Non-Fossil Fuel Lending ADIs).

To date it has been challenging for the City to invest in banks deemed “green” as these banks are full on liquidity and therefore are not issuing new term deposits, however we are starting to see movement in this market that may allow for increased Green Investments in the future.



As at 31 May 2022, \$15m (37.2%) of the City’s portfolio was invested in “Green Investments”:

**Fossil Fuel vs
Non Fossil Fuel
Lending ADI**



■ Non Fossil Fuel Lending ADIs (37.2%)

■ Fossil Fuel Lending ADIs (62.8%)

Refer to Attachment 1 (note 7) for details on which financial institutions these investments are held in.

As we move to the end of the financial year and start to wind back some of our investments to fund working capital it will be difficult to increase our “green” investments. However, following receipt of funds from next financial year’s rates issue, we hope to be able to improve this measure.

5. Interest Income for Matured Investments

Per Attachment 1 (note 9), interest income earned during the month of May 2022 from matured investments was \$14,482.74.

6. Investing Activities

During the month of May 2022, five term deposit investments of \$5.0m was withdrawn for operational requirements.

Full details of the institution invested in, interest rate, number of days and maturity date are provided in the Attachment.

VOTING AND OTHER SPECIAL REQUIREMENTS

Simple majority required



COUNCIL DECISION ITEM C2206-2
(Officer recommendation)

Moved: Mayor Hannah Fitzhardinge

Seconded: Cr Bryn Jones

Council receive the Investment Report for the month ending 31 May 2022, as provided in Attachment 1.

Carried en bloc: 10/0

**Mayor Hannah Fitzhardinge, Cr Jenny Archibald, Cr Su Groome,
Cr Fedele Camarda, Cr Ben Lawver, Cr Frank Mofflin, Cr Bryn Jones,
Cr Marija Vujcic, Cr Andrew Sullivan, Cr Adin Lang**



C2206-3 SCHEDULE OF PAYMENTS – MAY 2022

Meeting date:	22 June 2022
Responsible officer:	Manager Financial Services
Decision making authority:	Council
Attachments:	1. Schedule of Payments and Listings 2. Purchase Card Transactions <i>Attachments viewed electronically</i>
Additional information:	Nil

SUMMARY

The purpose of this report is to present to Council a list of accounts paid by the Chief Executive Officer under delegated authority for the month ending 31 May 2022, as required by the *Local Government (Financial Management) Regulations 1996*.

This report recommends that Council accept the list of payments made under delegated authority and accept the detailed transaction listing of Purchase Card expenditure.

BACKGROUND

Council has delegated, to the Chief Executive Officer, the exercise of its power to make payments from the City's municipal or trust fund. In accordance with regulation 13 of the *Local Government (Financial Management) Regulations 1996*, a list of accounts paid under delegation for the month of May 2022, is provided within Attachment 1 and 2.

FINANCIAL IMPLICATIONS

A total of \$7,372,987.54 in payments were made this month from the City's municipal and trust fund accounts.



LEGAL IMPLICATIONS

Regulation 13 of the *Local Government (Financial Management) Regulations 1996* states:

13. *Payments from municipal fund or trust fund by CEO, CEO's duties as to etc.*
- (1) *If the local government has delegated to the CEO the exercise of its power to make payments from the municipal fund or the trust fund, a list of accounts paid by the CEO is to be prepared each month showing for each account paid since the last such list was prepared –*
- (a) the payee's name; and*
 - (b) the amount of the payment; and*
 - (c) the date of the payment; and*
 - (d) sufficient information to identify the transaction.*
- (2) *A list of accounts for approval to be paid is to be prepared each month showing*
- (a) for each account which requires council authorisation in that month –*
 - (i) the payee's name; and*
 - (ii) the amount of the payment; and*
 - (iii) sufficient information to identify the transaction; and*
 - (b) the date of the meeting of the council to which the list is to be presented.*
- (3) *A list prepared under sub-regulation (1) or (2) is to be –*
- (a) presented to the council at the next ordinary meeting of the council after the list is prepared; and*
 - (b) recorded in the minutes of that meeting.*

CONSULTATION

Nil



OFFICER COMMENT

The following table summarises the payments for the month ending 31 May 2022 by payment type:

Payment Type	Amount (\$)
Cheque / EFT / Direct Debit	\$ 3,706,485.55
Purchase card transactions	\$ 49,482.22
Salary / Wages / Superannuation	\$ 2,092,413.29
Other payments	\$ 0.00
Total	\$ 5,848,381.06

Attachment 1 provides a detailed listing of the payments by Cheque, EFT and Direct Debit, while Attachment 2 provides a detailed listing of Purchase Card transactions for the month ending 31 May 2022.

VOTING AND OTHER SPECIAL REQUIREMENTS

Simple majority required

COUNCIL DECISION ITEM C2206-3 **(Officer recommendation)**

Moved: Mayor Hannah Fitzhardinge

Seconded: Cr Bryn Jones

Council:

- 1. Accept the list of payments made under delegated authority, totalling \$3,706,485.55 for the month ending 31 May 2022, as contained within Attachment 1.**
- 2. Accept the detailed transaction listing of Purchase Card expenditure, totalling \$49,482.22 for the month ending 31 May 2022, as contained within Attachment 2.**

Carried en bloc: 10/0

**Mayor Hannah Fitzhardinge, Cr Jenny Archibald, Cr Su Groome,
Cr Fedele Camarda, Cr Ben Lawver, Cr Frank Mofflin, Cr Bryn Jones,
Cr Marija Vujcic, Cr Andrew Sullivan, Cr Adin Lang**



13. Motions of which previous notice has been given

Nil

14. Urgent business

Nil

15. Late items

Nil

16. Confidential business

Cr Bryn Jones left the meeting at 8.01 pm and was absent during discussion and voting of the following items.

COUNCIL DECISION

Moved: Mayor Hannah Fitzhardinge Seconded: Cr Adin Lang

That the meeting be moved behind closed doors to consider the confidential item/s on the agenda.

Carried: 9/0

**Mayor Hannah Fitzhardinge, Cr Jenny Archibald, Cr Su Groome,
Cr Ben Lawver, Cr Fedele Camarda, Cr Frank Mofflin,
Cr Marija Vujcic, Cr Andrew Sullivan, Cr Adin Lang**

There were no members of the public at the meeting at this time.



FPOL2206-11 RATES DEBTOR WAIVER – RACHELLE WALKER (T/AS WILD TWIG)

Meeting date: 8 June 2022
Responsible officer: Acting Director City Business
Decision making authority: Council
Attachments: 1. Statement of Rates PID 1149
Additional information: Nil

REASON FOR CONFIDENTIALITY

This report is **CONFIDENTIAL** in accordance with Section 5.23(2) of the Local Government Act 1995 which permits the meeting to be closed to the public for business relating to the following:

- information about the financial affairs of a person

COUNCIL DECISION FPOL2206-11
(Committee recommendation)

Moved Mayor Hannah Fitzhardinge

Seconded: Cr Frank Mofflin

Council approve the waiver of the total debt owed by Rachele Walker (t/as Wild Twig) of \$1,680.04.

Carried: 9/0

**Mayor Hannah Fitzhardinge, Cr Jenny Archibald, Cr Su Groome,
Cr Fedele Camarda, Cr Ben Lawver, Cr Frank Mofflin,
Cr Marija Vujcic, Cr Andrew Sullivan, Cr Adin Lang**



FPOL2206-12 SUNDRY DEBTOR WAIVER – SOLDON PTY LTD (T/AS MEN BEHAVING HANDY)

Meeting date: 8 June 2022
Responsible officer: Acting Director City Business
Decision making authority: Council
Attachments:
1. Statement of Rates PID 1019912
2. Statement of Account Debtor 2090051
Additional information: Nil

REASON FOR CONFIDENTIALITY

This report is **CONFIDENTIAL** in accordance with Section 5.23(2) of the Local Government Act 1995 which permits the meeting to be closed to the public for business relating to the following:

- information about the business, professional, commercial or financial affairs of a person

COUNCIL DECISION FPOL2206-12
(Committee recommendation)

Moved Mayor Hannah Fitzhardinge Seconded: Cr Jenny Archibald

Council approve the waiver of the total debt owed by Soldon Pty Ltd (t/as Men Behaving Handy) of \$4,224.86.

Carried: 9/0

**Mayor Hannah Fitzhardinge, Cr Jenny Archibald, Cr Su Groome,
Cr Fedele Camarda, Cr Ben Lawver, Cr Frank Mofflin,
Cr Marija Vujcic, Cr Andrew Sullivan, Cr Adin Lang**

Cr Geoff Graham and Cr Bryn Jones returned to the meeting at 8.04 pm.



ARMC2206-6 EMERGING ISSUES REPORT - JUNE 2022

Meeting date: 15 June 2022
Responsible officer: Director City Business
Decision making authority: Council
Attachments: Nil
Additional information: Nil

REASON FOR CONFIDENTIALITY

This report is **CONFIDENTIAL** in accordance with Section 5.23(2) of the *Local Government Act 1995* which permits the meeting to be closed to the public for business relating to the following:

- (d) legal advice obtained, or which may be obtained, by the local government and which relates to a matter to be discussed at the meeting

COUNCIL DECISION ITEM ARMC2206-6 **(Committee recommendation)**

Moved: Mayor Hannah Fitzhardinge Seconded: Cr Su Groome

Council receive the emerging issues report for June 2022.

Carried: 11/0

**Mayor Hannah Fitzhardinge, Cr Jenny Archibald, Cr Su Groome, Cr Geoff Graham,
Cr Fedele Camarda, Cr Ben Lawver, Cr Frank Mofflin, Cr Bryn Jones,
Cr Marija Vujcic, Cr Andrew Sullivan, Cr Adin Lang**



**C2206-4 CODE OF CONDUCT - DIVISION 3 COMPLAINT
INVESTIGATION 01 - 2022**

Meeting date: 22 June 2022
Responsible officer: Manager Governance
Decision making authority: Council
Attachments: 1. Investigators Report
Additional information: Nil.

REASON FOR CONFIDENTIALITY

This report is **CONFIDENTIAL** in accordance with Section 5.23(2) of the *Local Government Act 1995* which permits the meeting to be closed to the public for business relating to the following:

- the personal affairs of a person.

PRESIDING MEMBER DETERMINATION

The presiding member put the officer's recommendation to the vote in three parts, as shown below:

COUNCIL DECISION ITEM C2206-4
(Officer recommendation)

Moved: Mayor, Hannah Fitzhardinge Seconded: Cr Ben Lawver

Council:

- 1. Support the findings of the independent investigator, that Cr Rachel Pemberton did not breach section 9(c) of the Council Member, Committee Member and Candidate Code of Conduct.**
- 2. Dismiss the complaint made against Cr Rachel Pemberton.**

Carried: 11/0

**Mayor Hannah Fitzhardinge, Cr Jenny Archibald, Cr Su Groome, Cr Geoff Graham,
Cr Fedele Camarda, Cr Ben Lawver, Cr Frank Mofflin, Cr Bryn Jones,
Cr Marija Vujcic, Cr Andrew Sullivan, Cr Adin Lang**



Moved: Mayor, Hannah Fitzhardinge Seconded: Cr Ben Lawver

3. Acknowledge that Cr Pemberton inadvertently failed to meet her obligations under the Code of Conduct to treat others with respect, fairness, and equality.
4. Recommend that Cr Pemberton apologise for any offence caused, at the same type of public meeting as that at which the comment was made.

Lost: 1/10

For
Cr Marija Vujcic

Against

**Mayor Hannah Fitzhardinge, Cr Jenny Archibald, Cr Su Groome, Cr Geoff Graham,
Cr Fedele Camarda, Cr Ben Lawver, Cr Frank Mofflin,
Cr Bryn Jones, Cr Andrew Sullivan, Cr Adin Lang**

Moved: Mayor, Hannah Fitzhardinge Seconded: Cr Ben Lawver

- 5. Request a copy of the investigators report, minus attachments, be provided to the complainant and made publicly available on the City's Complaints Register**

Carried: 9/2

For
**Mayor Hannah Fitzhardinge, Cr Su Groome, Cr Geoff Graham,
Cr Fedele Camarda, Cr Frank Mofflin, Cr Bryn Jones,
Cr Marija Vujcic, Cr Andrew Sullivan, Cr Adin Lang**

Against
Cr Jenny Archibald, Cr Ben Lawver



COUNCIL DECISION

Moved: Mayor Hannah Fitzhardinge Seconded: Cr Andrew Sullivan

That the meeting come out from behind closed doors.

Carried: 11/0

**Mayor Hannah Fitzhardinge, Cr Jenny Archibald, Cr Su Groome, Cr Geoff Graham,
Cr Fedele Camarda, Cr Ben Lawver, Cr Frank Mofflin, Cr Bryn Jones,
Cr Marija Vujcic, Cr Andrew Sullivan, Cr Adin Lang**

17. Closure

The Presiding Member declared the meeting closed at 8.20 pm.