



Minutes

Ordinary Meeting of Council

Wednesday 26 April 2023 6pm



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1 Official opening, welcome and acknowledgment

The Presiding Member declared the meeting open at 6pm and welcomed members of the public to the meeting.

The Presiding Member informed members of the public that the meeting was being recorded and streamed live on the internet. She further advised that while all care is taken to maintain privacy, visitors in the public gallery and members of the public submitting a question, may be captured in the recording.

2 Attendance, apologies and leave of absence

2.1 Attendance

Ms Hannah Fitzhardinge	Mayor/Presiding Member
Cr Frank Mofflin	Deputy Mayor/Hilton Ward
Cr Ben Lawver	Hilton Ward
Cr Andrew Sullivan	South Ward
Cr Marija Vujcic	South Ward
Cr Doug Thompson	North Ward
Cr Bryn Jones	North Ward
Cr Rachel Pemberton	City Ward (<i>arrived 6:11pm</i>)
Cr Adin Lang	City Ward (<i>Online attendance via Teams</i>)
Cr Jenny Archibald	East Ward
Cr Su Groome	East Ward (<i>arrived 6:12pm</i>)
Cr Fedele Camarda	Beaconsfield Ward
Mr Glen Dougall	Chief Executive Officer
Mr Matt Hammond	Director City Business
Ms Michelle Brennand	Director Community Development
Mr Russell Kingdom	Director Planning, Place and Urban Development
Mr Graham Tattersall	Director Infrastructure
Ms Melody Foster	A/Manager Governance
Ms Aimee Sabbatino	A/Manager Economic Development & Marketing
Ms Alida Ferreira	Manager Financial Services
Mr Paul Dunlop	Manager Communications and Events
Ms Gabrielle Woulfe	Meeting Support Officer
Ms Marie Vitanza	Meeting Support Officer

There were approximately 5 members of the public and no members of the press in attendance.

2.2 Apologies

Cr Geoff Graham	Beaconsfield Ward
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2.3 Leave of absence

Nil

3. Applications for leave of absence

Nil

4. Disclosures of interest by members

Nil

5. Responses to previous public questions taken on notice

The following questions were taken on notice at the Ordinary Meeting of Council held on 22 March 2023:

In relation to FPOL2303-7 Andrew Luobikis asked the following questions:

Question 1

When did the City go to tender for an organisation to provide the services for the initiative proposed "Delivers on its commitment to the Uluru Statement by supporting the "Voice to Parliament" campaign through the provision of community education and awareness of the Voice to Parliament conversation in the lead up to the referendum." As outlined in the agenda? The Yes Alliance was chosen (Australians for Indigenous Constitutional Recognition Ltd).

Response 1

As detailed in the Ordinary Council Item 22 March, the \$35,000 budget amendment will be used to support activities listed below.

- Kitchen table conversations
- Staff and volunteer training
- History Centre installation
- Disclosure panel presentation
- Communications campaign

Any procurement for these activities will be undertaken in accordance with Council's Purchasing Policy.



Question 2

Where was the advertised tender?

Response 2

Please refer to response 1.

Question 3

How many respondents were there?

Response 3

Please refer to response 1.

Question 4

Where can I find a copy of the tender proposal?

Response 4

Please refer to response 1.

Question 5

What is the scope of the proposal?

Response 5

Please refer to response 1.

Question 6

Who was on the selection panel?

Response 6

Please refer to response 1.

In relation to FPOL2303-8 Ian Ker asked the following questions:

Question 1

How were the High Voltage organisers able to deliver a detailed traffic management plan before consideration by FPOL or Council?



Response 1

The FPOL2303-8 item was in relation to the City's sponsorship for the High Voltage. The Perth Festival Special Projects team are organising this event and are experienced in running events of this size and all required traffic management plans are required as part of the process for approval.

Question 2

Is the City of Fremantle happy with the distributed traffic management plan and the lack of consultation during its' development?

Response 2

Yes, consultation was undertaken with the City of Fremantle, City of Cockburn, Public Transport Authority (PTA), Main Roads WA and WA Police.

Question 3

Is the City of Fremantle happy with the total lack of consideration of how people attending the event will get there or, once there if coming by car, where they are going to park?

Response 3

Event attendees are being encouraged to attend the event via public transport. Additional trains will be running during the event to Fremantle and Murdoch Stations. PTA will be supplying event shuttles operating from Fremantle and Murdoch Stations transporting attendees to the event sites. The schedule and stops will be published by PTA closer to the event day.

Question 4

How will all these buses get to and from Fremantle Station to Hampton Road – road closures preclude use of South Terrace and Wray Avenue and the nearest alternative is Queen Street/High Street turning a difficult crossfall at Hampton Road.

Response 4

The Perth Festival Special Projects team have advised that shuttle buses will operate within the road closures to ensure the movement of event patrons. Regular bus timetables will be published by PTA closer to the event day.



Question 5

Where are the thousands of people coming to the event by car going to park?

Response 5

There will be a number of carparks open to the public for parking on the day, and as previously noted, there will be shuttle buses transporting attendees from Murdoch Station into Fremantle.

Lawrie Bugeja in relation to matters not on the agenda:

Question 1

Is the Council aware that every second case in the Magistrates court is a neighbour dispute?

Response 1

No, the Council is not aware of this.

Question 2

The word may in the Building Act – unfairness of the word in boundary neighbour disputes – setting Neighbour against neighbour...

Response 2

The Building Act is State legislation drafted by the State and you can contact the State Solicitors Office to clarify this matter.

Question 3

Why am I denied Council Policy 1.3 – Plans re: build next door, etc?

Response 3

Local Planning Policy 1.3: [Local Planning Policy 1.3 - Community Consultation on Planning Proposals.pdf \(fremantle.wa.gov.au\)](https://www.fremantle.wa.gov.au/files/Local%20Planning%20Policy%201.3%20-%20Community%20Consultation%20on%20Planning%20Proposals.pdf) is available on the City's Website. The City applies the policy as required and when applicable.

Question 4

Are you aware that 3 emails sent to the Mayor for a meeting, not responded. One question responded by Compliance but not answering questions?



Response 4

Questions of a technical nature are responded to by the City and the matters you have recently raised are of a civil nature of which the City has no jurisdiction in determining the matters.

6. Public question time

Peter Mrdja spoke in relation to item PC2304-1, in favour of the Committee recommendation.

David Hudson spoke in relation to items not on the Agenda and asked the following questions:

1. Why is the footbridge to the passenger terminal closed?
2. Can Council and/or the CEO approach the PTA and see what's happening with the foot bridge?
3. Why don't the festivals reach the East end of Fremantle and surrounding streets?

Response: The Mayor Hannah Fitzhardinge noted that questions 1 to 2 will be taken on notice and question 3 is considered a statement.

7. Petitions

Nil

Cr Rachel Pemberton entered the meeting at 6.11pm.

8. Deputations

8.1 Special deputations

Nil

8.2 Presentations

Nil



9. Confirmation of minutes

Cr Su Groome entered the meeting at 6.12pm.

COUNCIL DECISION

Moved: Mayor Hannah Fitzhardinge

Seconded: Cr Ben Lawver

Council confirm the minutes of the Ordinary Meeting of Council dated 22 March 2023

Carried: 12/0

**Mayor Hannah Fitzhardinge, Cr Frank Mofflin, Cr Ben Lawver,
Cr Andrew Sullivan, Cr Marija Vujcic, Cr Doug Thompson,
Cr Bryn Jones, Cr Rachel Pemberton, Cr Adin Lang,
Cr Jenny Archibald, Cr Su Groome, Cr Fedeles Camarda**

10. Elected member communication

Nil



11. Reports and recommendations from committees

11.1 Planning Committee 5 April 2023

Cr Bryn Jones noted a minor amendment was made to the meeting minutes of item PC2304-1, to reflect the Committee vote resulting in a 'Lost' vote instead of a 'Carried' vote.

PC2304-1 HICKORY STREET, NO. 8 (LOT 30), SOUTH FREMANTLE - TWO STOREY ADDITIONS AND ALTERATIONS INCLUDING A ROOF TOP TERRACE ADDITION TO EXISTING SINGLE HOUSE (ED DA0263/22)

Meeting Date:	5 April 2023
Responsible Officer:	Director Planning, Place and Urban Development
Decision Making Authority:	Committee
Agenda attachments:	1. Amended Development Plans (3 March 2023)
Additional information:	1. Site Photos 2. Applicant additional information

SUMMARY

Approval is sought for two storey additions and alterations including a roof top terrace addition to an existing single house at No. 8 (Lot 30) Hickory Street, South Fremantle.

The proposal is referred to the Planning Committee (PC) due to the nature of some discretions being sought and comments received during the notification period. The application seeks discretionary assessments against the Local Planning Scheme No. 4 (LPS4), Residential Design Codes (R-Codes) and Local Planning Policies. These discretionary assessments include the following:

- Building Height
- Overshadowing
- Lot Boundary Setbacks
- Visual Privacy

This application was originally referred to the 7 December 2022 Planning Committee with a recommendation for refusal for the following reasons:

1. The proposal is inconsistent with the design principles of the Residential Design Codes in respect to the building height and solar access for the adjoining property and are considered to cause an



unacceptable amenity impact upon the adjoining southern property with excessive overshadowing of habitable spaces.

At the Planning Committee held on 7 December 2022, the Council resolved as follows:

'Refer the application to the administration with the advice that the Council is not prepared to grant planning approval to the application for the two storey additions and alterations including a roof top terrace addition to existing Single House at No. 8 Hickory Street, South Fremantle based on the current submitted plans and invite the applicant, prior to the next appropriate Planning Committee meeting to consider submitting an amended proposal to address overshadowing on the southern neighbour.'

Subsequently, the applicant has provided amended plans (dated 3 March 2023). It is considered that the amendments constitute a re-design of the proposal, satisfactorily addressing the reasons for deferral provided above. As such, the amended proposal is recommended for conditional APPROVAL.

PROPOSAL

Detail

Approval is sought for two storey additions and alterations (including a roof top terrace addition) to an existing single house at No. 8 (Lot 30) Hickory Street, South Fremantle. The proposed works include:

- New stairwell addition to existing ground floor;
- New first floor addition above the existing ground level providing additional living area and bedrooms; and
- New partly enclosed roof top terrace above the first-floor level.

Please note the new ground floor pool, landscaping and alfresco additions shown on the development plans do form part of this application and have been approved separately as part of application ref. DA0265/22 (determined under delegation on 22 August 2022). These elements, subject of this separate approval, are annotated with an 'N/A' on the proposed ground and upper floor plan.

The applicant submitted amended plans on 3 March 2023 after being referred back to the administration for the purpose of addressing the adverse overshadowing impacts upon the southern neighbour that were considered evident by officers in the previous plans (dated 18 November 2023).

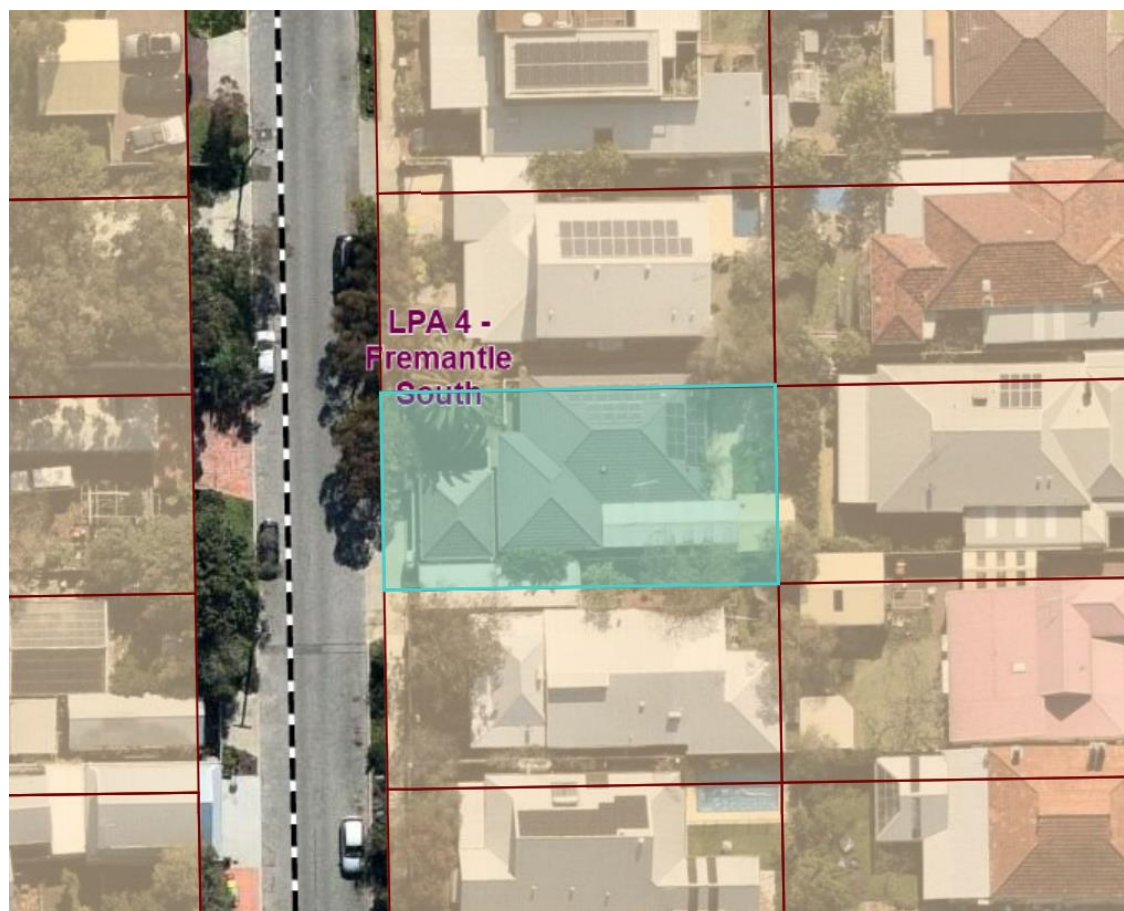
The amended plans, submitted on 3 March 2023, included the following changes:

- Increase in the southern side lot boundary setback of the third level (partly enclosed roof terrace) from 4.6m to 7.195m (2.595m increase in the southern lot boundary setback of the third level);
- Reduction in the overall overshadowing of the neighbouring southern lot from 34.95% (159m²) to 29.45% (134m²), representing a 5.5% (25m²) reduction in the overshadowing of the neighbouring southern lot.

Amended development plans are included as attachment 1.

Site/application information

Date received:	2 August 2022
Owner name:	Ian Robert Stone Bellinge & Jahna Alexandra Gisela Maria Josepha Spielmanns Bellinge
Submitted by:	Australian Renovation Group
Scheme:	Residential (R25)
Heritage listing:	South Fremantle Heritage Area
Existing land use:	Single House
Use class:	Single House
Use permissibility:	P





CONSULTATION

External Referrals

Nil required.

Internal Referrals

Heritage

The proposal can be supported from a heritage perspective for the following reasons:

- The streetscape is considered to be of a complex and inconsistent nature.
- This existing building is considered non-contributory to the South Fremantle Heritage Area.
- There is a prevalence of garages and newer two-storey additions and residences to the opposite side of the road, allowing some flexibility in the nature and design of this proposal.
- Further to preliminary discussions prior to submission of the application, the roof terrace element has been modified to reduce the impact on the streetscape and the building appearance from the streetscape appears more of a two-storey nature.

Community

The application was advertised in accordance with Schedule 2, clause 64 of the *Planning and Development (Local Planning Schemes) Regulations 2015*, as variations to the deemed-to-comply provisions of the R-Codes and Council policies were proposed. The advertising period concluded on 8 September 2022, and three (3) submissions were received. The following issues were raised (summarised):

- Concerns that the height of the external walls and overall building height exceeds the maximum permitted by the R-Codes and the impact of this will be to reduce access to natural light and unacceptably overshadow the adjacent southern property. The proposal should be made compliant with relevant R-Code and/or Council policy requirements.
- Concerns that visual privacy will be significantly compromised from the rear facing openings at first floor level and from the roof terrace that will afford direct overlooking of adjoining properties.
- The use of the rooftop terrace will generate unacceptable noise impacts upon adjoining dwellings.
- The new 1800mm dividing fencing will not be sufficient to prevent overlooking from the new decking around the pool; the fencing should be raised 1800mm above the level of the decking.
- Concerns the large 3 storey dwelling will set a precedence for such a scale of development that will adversely impact the established heritage and general character of the area and impact the amenity of neighbouring properties.



In response to the above, the applicant submitted revised plans (dated 18 November 2023) to address the visual privacy concerns from the roof terrace and provided written responses and further justification to each of the above comments and planning assessment items (refer **Additional Information 2**).

It is noted that the adjoining northern landowners (No. 6 Hickory Street) provided written consent to the development plans.

Following referral of the application back to the administration at the 7 December 2022 Planning Committee in order to address overshadowing of the southern neighbour, further amended plans (dated 3 March 2023) were provided by the applicant to address this matter.

Detailed Officer comment on the building height, overshadowing and visual privacy elements of the proposal are provided in the officer assessment section below.

OFFICER COMMENT

Statutory and policy assessment

The proposal has been assessed against the relevant provisions of LPS4, the R-Codes and relevant Council local planning policies. Where a proposal does not meet the Deemed-to-comply requirements of the R-Codes, an assessment is made against the relevant Design principles of the R-Codes. Not meeting the Deemed-to-comply requirements cannot be used as a reason for refusal. In this particular application the areas outlined below do not meet the Deemed-to-comply or policy provisions and need to be assessed under the Design principles:

- Primary Street Setback
- Building Height
- Overshadowing
- Lot Boundary Setbacks
- Visual Privacy

The above matters are discussed below.

Background

The subject site is located on the eastern side of Hickory Street. The site has a land area of approximately 455m² and currently comprises a single storey single house. The site is zoned Residential and has a density coding of R25. The site is not individually heritage listed though is located within the South Fremantle Heritage Area.

The surrounding area is predominantly residential and is characterised 1-2 storey single houses.



A search of the property file has revealed the following history for the site:

- DA0265/22 - Rear landscaping, pool and alfresco additions to existing Single house; and
- DA0591/16 - Carport and primary street fencing addition to existing Single House.

Primary Street Setback (1st Floor)

Element	Requirement	Proposed	Extent of Variation
Primary Street Setback (Wall Height >4.0m – 1 st Floor)	10.0m	9.43m	0.57mm

The first-floor primary street setback variation of 0.57m from the required 10m setback required by LPP2.9 (Residential Streetscape) is supported on the following basis:

- The Hickory Street streetscape is of a highly varied and inconsistent nature with no prevailing character. The western side of Hickory Street is characterised by the rear of properties fronting South Terrace and includes development built right up to the Hickory Street frontage of these lots. The western side of Hickory Street is characterised by one and two-storey single houses with varied setbacks from Hickory Street (refer aerial image below). As such, the minor variation to the street setback of the 1st floor does not have an adverse impact upon the streetscape character of Hickory Street.

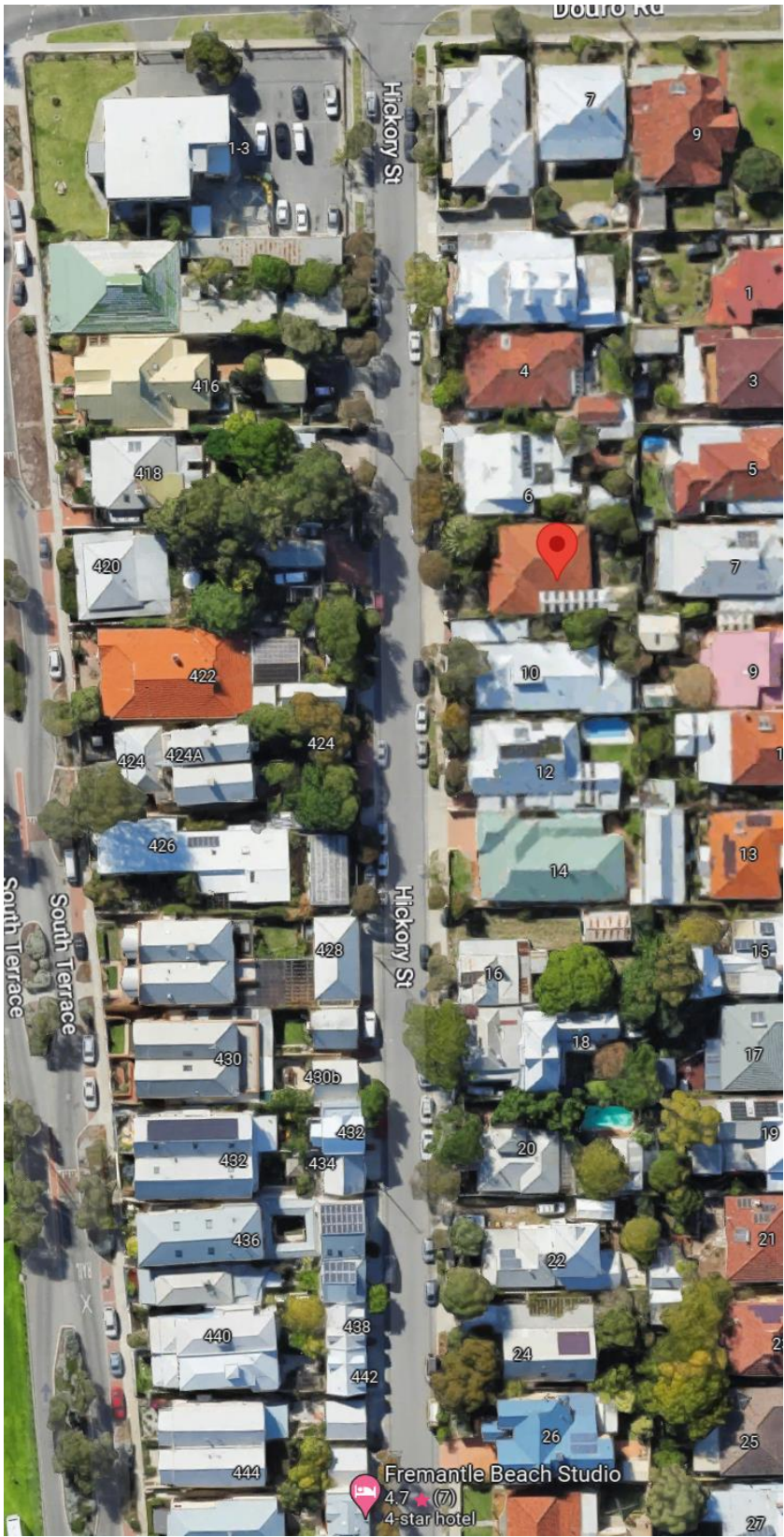


Figure 1. Aerial Image showing Hickory Street Streetscape



- The upper floor of the adjoining northern dwelling (No. 6 Hickory Street) is setback 9.7m from the street boundary (within 300mm of the proposed) and is therefore comparable and consistent with the upper floor street setback proposed at the subject site.

It should be noted that the proposed second floor is setback and stepped further from the first floor below and has a primary street setback of 14.82m which complies with LPP2.9 requirements.

Building Height

As outlined in Schedule 7 of the City's LPS4 (Local Planning Areas (Development Requirements)), building heights for residential development within LPA4 (Fremantle South) defer to the R-Code building heights in Table 3.

Element	Requirement	Proposed	Extent of Variation
External Wall Height	≤7.0m	7.2m	0.2.
Total Roof Height	≤8.0m	8.7m	0.7m

Over-Shadowing Comment, based on Original set of Plans Submitted

The additional building height is not considered to meet the Design Principles of the R-Codes for the following reasons:

- The additional building height is contributing to excessive overshadowing of habitable room major openings and outdoor living areas of the adjoining southern property (No. 10 Hickory Street), as discussed further in the overshadowing section below.

Notwithstanding the above, from a streetscape perspective, the additional building height is generally supported as the third level is stepped and setback 14.82m from the street (5.39m further than the first floor below) so would be expected to appear as only a two-storey dwelling from the street.

Overshadowing (amended, based on revised plans submitted)

Element	Requirement	Proposed	Extent of Variation
Maximum Permissible Overshadowing of Adjoining Sites (R-Codes 5.4.2)	Max. 25% shadow cover of adjoining site: No. 10 Hickory Street (Site Area: 455m ²)	29.45% (134m ²)	4.45% (20.25m ²)

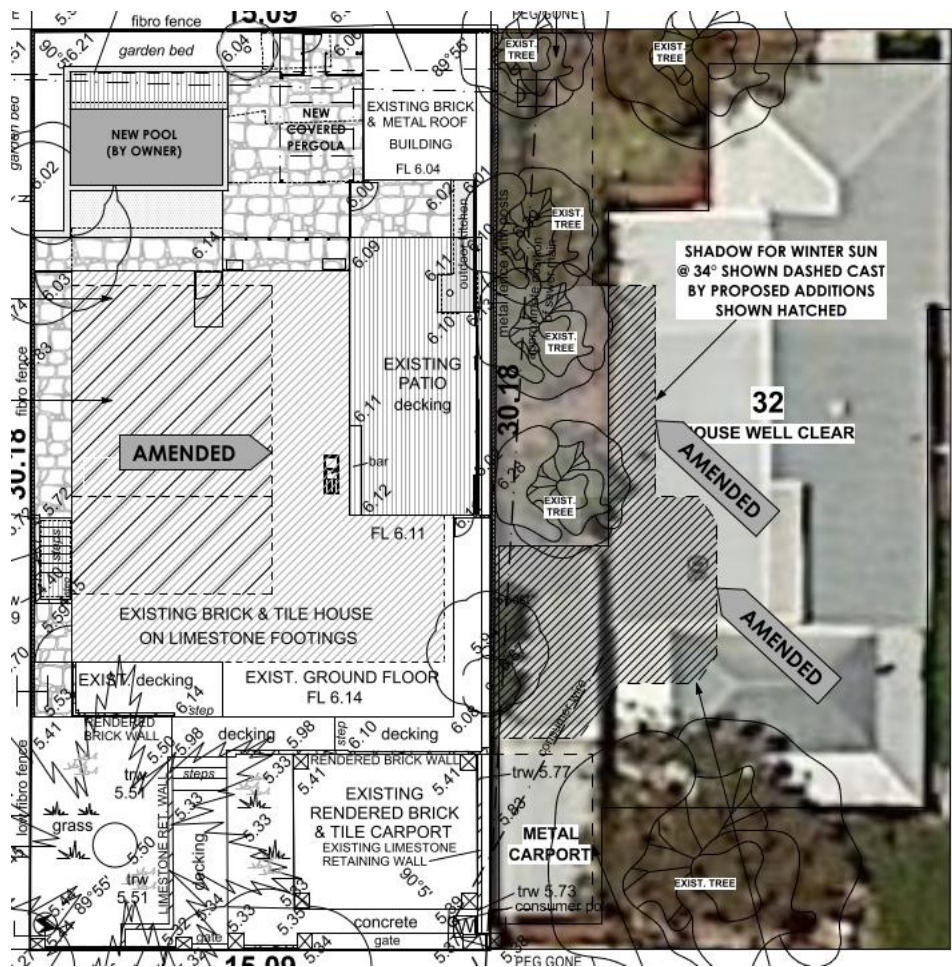


On the basis of the amended development plans, dated 3 March 2023, the overshadowing of the adjoining southern lot (No. 10 Hickory Street) is considered to meet the Design principles of the R-Codes, for the following reasons:

- The applicant has taken measured steps to improve the overshadowing impact upon the southern neighbour by increasing the southern side lot boundary setback of the third level (partly enclosed roof terrace) from 4.6m to 7.195m increasing the southern lot boundary setback of this level by 2.595m. This has reduced the overall overshadowing of this southern lot from 34.95% (159m²) to 29.45% (134m²), representing a 5.5% (25m²) reduction in the overshadowing of this lot.
- It is noted that approximately 75m² of the shadow is to fall across existing roof areas of the adjoining carport and house which are non-sensitive, non-habitable areas of the adjoining dwelling.
- Importantly, the extent of overshadowing of outdoor living areas and habitable room windows has been partly reduced and given the overshadowing is assessed under the worst-case scenario (winter solstice), is it expected that the overshadowing impacts upon outdoor living areas and habitable room windows will be acceptable under the amended development proposals.
- It is also important to note that on east-west orientated lots such as those on Hickory Street, with lot widths of 15m, some overshadowing is generally inevitable for development proposals above a single storey. The shadow impact of the proposal has clearly informed the overall design of the amended proposals with all southern lot boundary setbacks achieving or greatly exceeding (in the case of the third (roof terrace) level) the deemed-to-comply requirements of the R-Codes and shadow impact of the proposal has been effectively mitigated as a result.



**SHADOW FOR WINTER SUN
@ 34° SHOWN DASHED CAST
BY PROPOSED ADDITIONS
& EXISTING RESIDENCE /
CARPORT / PATIO**





- The proposed wall will not be opposite any sensitive outdoor living areas of the adjoining dwelling and nor is it expected to have an adverse amenity impact upon habitable rooms of the adjoining property.
- It is noted the affected northern neighbour has provided written consent to the proposed amended development plans.

It should be noted that all other lot boundary setbacks either comply or exceed the deemed-to-comply requirements of the R-Codes.

Visual Privacy

Element	Requirement	Proposed	Extent of Variation
Cone-of-vision setback (New Open Terrace; view west)	7.5m	1.36m	6.14m
Cone-of-vision setback (New Open Terrace; view north-west)	7.5m	3.7m	3.8m
Cone-of-vision setback (First Floor New Upper Living; view north-west)	6.0m	3.8m	2.2m

The cone-of-vision setback of the New Open Terrace (view north) is not supported by Officers though is able to be resolved through the imposition of a condition of approval to require screening of the New Open Terrace along the northern edge/elevation of the terrace.

With the exception of the above, the remainder of the above visual privacy variations are supported under the Design Principles of the R-Codes for the following reasons:

- With reference to the 'Proposed Upper Floor Plan', 'Proposed Third Floor Plan' and aerial images above, it is noted that remainder of the above cone-of-vision variations (viewing north-west only) over the adjoining properties fall onto the rooves of the adjoining dwellings. Other elements that fall within the cone of vision are in the street setback area which is deemed to comply under the R-Codes.

As such, these variations do not allow for any direct overlooking over any sensitive habitable room windows or outdoor living areas of the adjoining properties and can therefore be supported under the design principles.



It should be noted that all visual privacy assessments from other habitable spaces in the proposed additions greater than 500mm above natural ground level are fully compliant with the deemed-to-comply requirements of the R-Codes, either achieving the require cone-of-vision setback or have an appropriate design solution such as hi-lite windows or screening to ensure compliance.

CONCLUSION

In accordance with the above assessment, the proposal as amended is considered to appropriately address the relevant statutory planning requirements of the LPS4, the R-Codes and relevant Council local planning policies and is therefore recommended for approval, subject to conditions.

STRATEGIC IMPLICATIONS

Nil

FINANCIAL IMPLICATIONS

Nil

LEGAL IMPLICATIONS

Nil

COMMITTEE RECOMMENDATION ITEM PC2304-1 **(Officer's recommendation)**

Moved: Cr Bryn Jones

Seconded: Cr Geoff Graham

Council:

APPROVE under the Metropolitan Region Scheme and Local Planning Scheme No. 4 the Two Storey Additions and Alterations Including a Roof Top Terrace Addition to an Existing Single House at No. 8 (Lot 30) Hickory Street, South Fremantle, subject to the following conditions:

- 1. This approval relates only to the development as indicated on the approved plans, dated 3 March 2023. It does not relate to any other development on this lot and must substantially commence within four years from the date of this decision letter.**
- 2. All storm water discharge shall be contained and disposed of on-site unless otherwise approved by the City.**
- 3. Prior to the issue of a Building Permit for the development hereby approved, a detailed drawing showing how the New Open Terrace**



located on the north elevation, is to be screened in accordance with Clause 5.4.1C1.1 of the Residential Design Codes by either:

- a. fixed obscured or fixed translucent glass to a minimum height of 1.60 metres above internal floor level, or
- b. fixed screening, with openings not wider than 5cm and with a maximum of 25% perforated surface area, to a minimum height of 1.60 metres above the internal floor level, or
- c. a minimum sill height of 1.60 metres above the internal floor level,

Prior to occupation of the development hereby approved, the approved screening method shall be installed and maintained to the satisfaction of the City of Fremantle.

4. Prior to commencement of development the existing tree within the road reserve, shown on the approved plans shall be protected through the implementation of a Tree Protection Zone for protection during construction. Additional information with regard to the tree protection zone requirements can be found here: <https://www.fremantle.wa.gov.au/residents/trees-and-verges>.
5. Where any of the preceding conditions has a time limitation for compliance, if any condition is not met by the time requirement within that condition, then the obligation to comply with the requirements of any such condition (other than the time limitation for compliance specified in that condition), continues whilst the approved development continues.

Advice Note(s):

- i. A building permit is required to be obtained for the proposed building work. The building permit must be issued prior to commencing any works on site.
- ii. Fire separation for the proposed building works must comply with Part 3.7 of the Building Code of Australia.
- iii. The applicant is advised that the existing verge tree is to be protected during the construction process with a minimum 2.8 x 2.8m fencing enclosure.



Lost: 2/4
For

Cr Geoff Graham, Cr Su Groome

Against

Cr Bryn Jones, Cr Andrew Sullivan, Cr Adin Lang, Cr Ben Lawver

The above item is referred to the Ordinary Meeting of Council for determination in accordance with the City of Fremantle Delegated Authority Register which requires that at least 5 members of the committee vote in favour of the Committee Recommendation in order to exercise its delegation.

Additional Officers Comment

At the City's Planning Committee on 5 April 2023, the item for 8 Hickory Street, South Fremantle (*Two Storey Additions and Alterations Including a Roof Top Terrace Addition to Existing Single House*) was sent to the Ordinary Meeting of Council to be held on 26 April 2023 due to Planning Committee not being able to exercise their delegation.

Councillors had primarily raised concerns surrounding the overshadowing impact of the proposal on the southern neighbour at 10 Hickory Street, South Fremantle. On the 14 April 2023 the applicant provided Officers with a set of amended development plans in an attempt to address some of the concerns raised by the Planning Committee meeting, particularly in relation to the overshadowing impacts on the southern neighbour.

The applicant has advised:

"The intent of the changes is to reduce the extent of overshadowing on the adjoining property as suggested in Andrew's emails, and also to gain some more space on the balcony, without increasing overshadowing, due to the reduced head room within the third level as a result of the pitched roof".

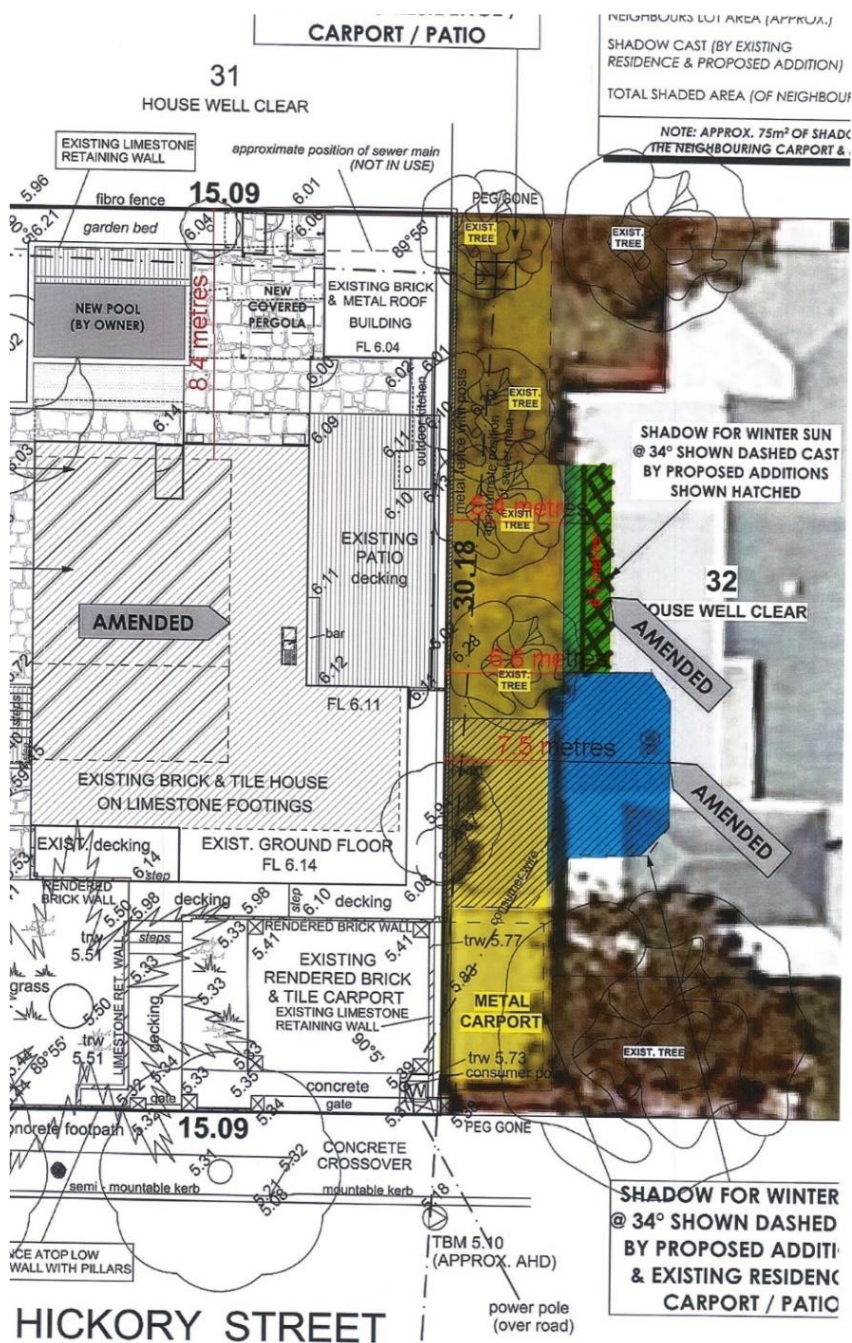
The amended plans indicate that due to the change in roof pitch of the upper floor extension, the shadow extent and impact have been reduced, particularly toward the more sensitive living room openings and alfresco area of the southern property. The amended plans indicate that the overall shadow coverage has been reduced by approximately 6.7m² (see extract of overshadowing analysis below, the green area of shadow has reduced due to the change in roof form shown in elevations). This reduction results in an overall overshadowing area of 127.3m² (or 27.97% coverage of the adjoining southern property) compared with the previous plans which proposed 134m² (or 29.45%) overshadowing of the southern property.

Minutes – Ordinary Meeting of Council
26 April 2023



Please note due to time constraints, officers have not had sufficient opportunity to assess the plans in detail or update any reporting in light of them.

Notwithstanding, should Council be of the mind to support the amended plans, an alternative recommendation could be put forward which simply amends approved plan date listed in condition No. 1 of the existing Officer's Recommendation to state 14 April 2023.





Draft Additional Condition:

Prior to the submission of a building permit application, the applicant is to prepare and submit for approval, a revised set of development plans that demonstrate the extent of overshadowing of the adjoining southern property is no more than 28% of the adjoining property site area (455m²), to the satisfaction of the City of Fremantle.

OFFICER RECOMMENDATION

Moved: Cr Bryn Jones

Seconded: Cr Frank Mofflin

Council:

APPROVE under the Metropolitan Region Scheme and Local Planning Scheme No. 4 the Two Storey Additions and Alterations Including a Roof Top Terrace Addition to an Existing Single House at No. 8 (Lot 30) Hickory Street, South Fremantle, subject to the following conditions:

1. This approval relates only to the development as indicated on the approved plans, dated 3 March 2023. It does not relate to any other development on this lot and must substantially commence within four years from the date of this decision letter.
2. All storm water discharge shall be contained and disposed of on-site unless otherwise approved by the City.
3. Prior to the issue of a Building Permit for the development hereby approved, a detailed drawing showing how the New Open Terrace located on the north elevation, is to be screened in accordance with Clause 5.4.1C1.1 of the Residential Design Codes by either:
 - a. fixed obscured or fixed translucent glass to a minimum height of 1.60 metres above internal floor level, or
 - b. fixed screening, with openings not wider than 5cm and with a maximum of 25% perforated surface area, to a minimum height of 1.60 metres above the internal floor level, or
 - c. a minimum sill height of 1.60 metres above the internal floor level,

Prior to occupation of the development hereby approved, the approved screening method shall be installed and maintained to the satisfaction of the City of Fremantle.

4. Prior to commencement of development the existing tree within the road reserve, shown on the approved plans shall be protected through the implementation of a Tree Protection Zone for protection during



construction. Additional information with regard to the tree protection zone requirements can be found here:
<https://www.fremantle.wa.gov.au/residents/trees-and-verges>.

5. Where any of the preceding conditions has a time limitation for compliance, if any condition is not met by the time requirement within that condition, then the obligation to comply with the requirements of any such condition (other than the time limitation for compliance specified in that condition), continues whilst the approved development continues.

Advice Note(s):

- iv. A building permit is required to be obtained for the proposed building work. The building permit must be issued prior to commencing any works on site.
- v. Fire separation for the proposed building works must comply with Part 3.7 of the Building Code of Australia.
- vi. The applicant is advised that the existing verge tree is to be protected during the construction process with a minimum 2.8 x 2.8m fencing enclosure.

AMENDMENT

Moved: Cr Andrew Sullivan

Seconded: Cr Bryn Jones

To amend the date in condition 1 and add the following condition 6

1. This approval relates only to the development as indicated on the approved plans, dated ~~3-March~~ 14 April 2023. It does not relate to any other development on this lot and must substantially commence within four years from the date of this decision letter.
6. Prior to the submission of a building permit application, the applicant is to prepare and submit for approval, a revised set of development plans that demonstrate the extent of overshadowing of the adjoining southern property is no more than 28% of the adjoining property site area (455m²), to the satisfaction of the City of Fremantle.

Amendment Lost: 3/9
For

Cr Andrew Sullivan, Cr Ben Lawver, Cr Adin Lang



Against

Mayor Hannah Fitzhardinge, Cr Jenny Archibald, Cr Su Groome,
Cr Fedele Camarda, Cr Frank Mofflin, Cr Doug Thompson,
Cr Bryn Jones, Cr Rachel Pemberton, Cr Marija Vujcic

COUNCIL DECISION ITEM PC2304-1
(Alternative recommendation)

Moved: Cr Doug Thompson

Seconded: Cr Bryn Jones

Council refers this item back to the next Planning Committee Meeting to allow the amended plans, dated 14 April 2023, to be formally assessed.

Carried: 10/2

For

Mayor Hannah Fitzhardinge, Cr Jenny Archibald, Cr Fedele Camarda,
Cr Frank Mofflin, Cr Doug Thompson, Cr Bryn Jones,
Cr Rachel Pemberton, Cr Adin Lang, Cr Marija Vujcic, Cr Ben Lawver

Against

Cr Andrew Sullivan, Cr Su Groome



11.2 Finance, Policy, Operations and Legislation Committee 12 April 2023

FPOL2304-10

PARKLET POLICY REVIEW

Meeting date:	12 April 2023
Responsible officer:	Principal Assets, Engineering and Infrastructure Management
Decision making authority:	Council
Attachments:	1. Parklet Policy (Amended)
Additional information:	Nil

SUMMARY

This report provides the revised Parklet Policy following the February Council decision, to refer the item to the next appropriate Finance, Policy, Operations and Legislation Committee, to include an additional clause relating to compliance reviews of parklets every 2 years and an additional redevelopment clause. The amended Parklet Policy, is provided in Attachment 1 for Council consideration.

BACKGROUND

In Local Government policies reflect the leadership and decision-making role of Council and are a way for Council to give expression to preferred solutions to problems or matters of concern.

Policies are developed to be clear, simple statements of how an organisation plans to conduct its services, actions, or business and to meet strategic and operational needs and comply with statutory and legislative requirements.

Policies provide Council with the ability to make fair, consistent, and transparent decisions affecting the community and are a guide for officers and elected members when making decisions. They are implemented by way of administration policies, procedures, and processes.

The existing Parklet Policy was adopted by Council on 27 November 2013 (Council item number - SSGS1311-5).

The Parklet Policy provides a framework of parameters and requirements to assist officers in assessing the suitability of the street / road environment in respect to proposals or submissions for the installation of parklets.



Officers commenced a review of the Parklet Policy with a view to re-examine the parameters and requirements and simplify and update the document. Workshops and assessments have taken place with internal stakeholders as part of this process, as a result number of minor revision inclusions and exclusions have been identified and included.

On 22 February 2023, the Parklet Policy was resubmitted to FPOL to address several prescribed amendments. In this Committee meeting, an additional amendment was requested to detail how the City could withdraw or review an approved parklet to better manage third party tenures.

OFFICER COMMENT

In simplifying the existing Parklet Policy the operational activities undertaken by employees in the administration and processing of applications have been removed and placed in a Parklet Procedure (see attachment 2). In addition, any repetitive subject matter has been amalgamated and clarified.

The following items list the key changes that were initially made to the Parklet Policy:

1. That Adelaide Street, Queen Street and Newman Court removed from the list of streets excluded by the policy.
2. Approval granted for a parklet installation will be for periods of 2 years.
3. Parklet hours of use included and restricted to between 7am and 10pm.
4. The principle of User Pays for use of a parking embayment in accordance with the annual fees and charges schedule.
5. The use of a Parklet for the purposes of outdoor dining shall be in accordance with the provisions of the Alfresco Dining Policy.
6. Definition of Parklet and Access Road included.

Officers have now also reviewed the request from the February FPOL Committee and are satisfied that the amendment is practical and effective – the change has been included with the amendment of part 1.8 of the Policy to read as follows:

"Upon granting approval for a parklet, a review will be undertaken by the City every 2 years thereafter to assess compliance in line with this parklet policy and any other policy relevant to the use of the parklet including but not limited to the alfresco dining policy. Parklets found to be non-compliant as part of that review will have a two-month period to achieve compliance before approval is granted for the parklet to remain in situ".



A further amendment was made following additional feedback from the committee in relation to the City's ability to access parklet locations in the event that substantial works or redevelopment are planned for the area. A clause was added that makes granting of permission for the installation of a parklet subject to a standard redevelopment clause, enabling the City to request the removal of the parklet and access the site for works if required and adequate notice (6 months) is given.

Subject to Council endorsement and adoption, it is proposed that the policy be next reviewed in 4 years (2026).

FINANCIAL IMPLICATIONS

An annual charge for use of a ticket, and timed parking bays will be included in the 2023-24 Fees & Charges schedule.

LEGAL IMPLICATIONS

Legislative - The Local Government Act 1995, section 2.7(2)(b) provides Council with the power to determine policies.

Fees & Charges - Section 6.38 of the Local Government Act 1995 and Regulation 54(c) of the Local Government (Financial Management) Regulations 1996 provide Council with the power to impose rates and service charges.

CONSULTATION

The review has been previously workshopped internally with stakeholders / impacted Business Units and technical staff; the proposals have been circulated and discussed with Elected Members and the Executive Team. The Parklet Policy review was also put out for public comment in November 2022.

VOTING AND OTHER SPECIAL REQUIREMENTS

Simple majority required

OFFICER'S RECOMMENDATION

Moved: Cr Jenny Archibald

Seconded: Cr Frank Mofflin

Council adopt the amended Parklet Policy as provided in Attachment 1.



AMENDMENT 1

Moved: Cr Rachel Pemberton

Seconded Cr Frank Mofflin

Amend part 1.8 in Parklet Policy to read as follows:

Council:

- 1.8 Upon granting approval for a parklet, a review will be undertaken by the City **at least** every 2 years thereafter to assess compliance in line with this Parklet Policy and any other policy relevant to the use of the parklet including but not limited to the Alfresco Dining Policy. Parklets found to be non-compliant ~~as part of that review~~ will have ~~a two-month period~~ **60 days** to achieve compliance ~~before~~ **or** approval will be withdrawn **and the Parklet must be removed at the owner's expense.** ~~is granted for the parklet to remain in situ.~~

Amendment carried: 7/0

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

Reason for change:

If a parklet is non-compliant at any time, it should be dealt with immediately, not just at the time of inspection, for example if a complaint is received or safety / compliance issue is noted. A timeframe of 60 days to comply is clearer than 'two months' as is the consequence of not bringing the parklet into compliance.

COUNCIL DECISION FPOL2304-10 **(Committee recommendation)**

Moved: Mayor Hannah Fitzhardinge

Seconded: Cr Doug Thompson

Council adopt the amended Parklet Policy as provided in Attachment 1 including the following amendment:

- 1.8 Upon granting approval for a parklet, a review will be undertaken by the City *at least* every 2 years thereafter to assess compliance in line with this Parklet Policy and any other policy relevant to the use of the parklet including but not limited to the Alfresco Dining Policy. Parklets found to be non-compliant will have *60 days* to achieve compliance *or* approval will be withdrawn *and the Parklet must be removed at the owner's expense.***



Carried: 12/0

**Mayor Hannah Fitzhardinge, Cr Frank Mofflin, Cr Ben Lawver,
Cr Andrew Sullivan, Cr Marija Vujcic, Cr Doug Thompson,
Cr Bryn Jones, Cr Rachel Pemberton, Cr Adin Lang,
Cr Jenny Archibald, Cr Su Groome, Cr Fedeles Camarda**



11.3 Audit and Risk Management Committee 19 April 2023

ITEMS CARRIED "EN BLOC"

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

COUNCIL DECISION

Moved: Cr Doug Thompson

Seconded: Cr Andrew Sullivan

The following items be adopted en bloc as recommended:

ARMC2304-1	EMERGING ISSUES REPORT – APRIL 2023
AMRC2304-4	PURCHASING POLICY EXEMPTIONS JANUARY TO MARCH 2023
AMRC2304-5	GRANTS AND SPONSORSHIP JULY 2022 – JANUARY 2023 – INFORMATION REPORT
AMRC2304-6	TENDERS AWARDED UNDER DELEGATION JANUARY TO MARCH 2023
AMRC2304-7	OVERDUE DEBTORS REPORT AS AT 28 FEBRUARY 2023

Carried en bloc: 12/0

Mayor Hannah Fitzhardinge, Cr Frank Mofflin, Cr Ben Lawver,
Cr Andrew Sullivan, Cr Marija Vujcic, Cr Doug Thompson,
Cr Bryn Jones, Cr Rachel Pemberton, Cr Adin Lang,
Cr Jenny Archibald, Cr Su Groome, Cr Fedeles Camarda



ARMC2304-1 EMERGING ISSUES REPORT – APRIL 2023

Meeting date: 19 April 2023
Responsible officer: A/Manager Governance
Decision making authority: Council
Attachments: 1. Corporate Issues Summary Report (April)
(confidential attachment under separate cover)
Additional information: Nil

SUMMARY

This report highlights the relevant issues which are either current or emerging and may significantly affect the operation, financial, legal, or reputational operation of the City.

These matters are raised to inform the committee of any significant issues identified by officers and allow for any further feedback or questions on the actions currently being taken or under consideration to address and resolve them.

BACKGROUND

Part of the role of the Audit and Risk Management Committee is to be aware of the significant emerging financial, political, and corporate issues being identified by the organisation and to understand, review or advise on the possible actions to address these.

FINANCIAL IMPLICATIONS

Some of the issues and potential mitigation actions outlined in this report may include financial implications for the City. Order of magnitude estimates of financial implications based on information available at the time of the report, is included in the issues table attached.

LEGAL IMPLICATIONS

The City actively seeks legal advice and support where issues and risks identified have potential legal implications.

CONSULTATION

Nil.



OFFICER COMMENT

The confidential table attached with this agenda identifies the emerging issues which are considered significant by the organisation. Some are in action, and some are under review by the organisation and will continue to be updated to the Audit and Risk Management Committee over time.

In conjunction with the organisation's newly developed Risk Management Framework, the City's issues log will provide a consistent and effective means of tracking, managing, and resolving significant corporate and organisational issues.

It should be noted that as the City progresses through the transitional period to the new Risk Management Framework, there are a number of issues covered on both the issues log and the current Corporate Risk Register.

The City's corporate issues log is populated and maintained by officers. This document is maintained live in the City's corporate document management system and is reviewed and discussed by the Executive Leadership Team as a standing agenda item monthly.

VOTING AND OTHER SPECIAL REQUIREMENTS

Simple majority required

COUNCIL DECISION ITEM ARMC2304-1 **(Committee recommendation)**

Moved: Cr Doug Thompson

Seconded: Cr Andrew Sullivan

Council receive the emerging issues report for April 2023.

Carried en bloc: 12/0

**Mayor Hannah Fitzhardinge, Cr Frank Mofflin, Cr Ben Lawver,
Cr Andrew Sullivan, Cr Marija Vujcic, Cr Doug Thompson,
Cr Bryn Jones, Cr Rachel Pemberton, Cr Adin Lang,
Cr Jenny Archibald, Cr Su Groome, Cr Fedeale Camarda**



ARMC2304-4 PURCHASING POLICY EXEMPTIONS JANUARY TO MARCH 2023

Meeting date: 19 April 2023
Responsible officer: Manager Financial Services
Decision making authority: Council
Attachments: 1. Purchasing Policy Exemption Detail – January to March 2023
Additional information: Nil

SUMMARY

The purpose of this report is to inform Council of purchases made by the City that were exempted from the requirements of the Purchasing Policy, during the period January to March 2023.

This report recommends that Council receive the Purchasing Policy Exemptions report for January to March 2023.

BACKGROUND

At the Ordinary Meeting of Council of 25 November 2020, Council adopted a new Purchasing Policy. The Purchasing Policy outlines the requirements and decision-making process for each Policy threshold. The Policy also contains a list of tender exemptions (exempt under Regulation 11(2) of the *Local Government (Functions and General) Regulations 1996*) and other Policy exemptions.

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

FINANCIAL IMPLICATIONS

Nil.

LEGAL IMPLICATIONS

Nil.

CONSULTATION

Nil.



OFFICER COMMENT

January 2023

The total value of spending exempt from the City of Fremantle Purchasing Policy was \$3025.00 for the month of January 2023.

The value of exemptions by category is:

Exemption Category	Value
Request for Artist	\$3025.00
Total	\$3025.00

Details regarding individual exemptions can be found in Attachment 1.

February 2023

The total value of spending exempt from the City of Fremantle Purchasing Policy was \$114,827.00 for the month of February 2023.

The value of exemptions by category is:

Exemption Category	Value
Specialist Consultancy	\$114,827.00
Total	\$114,827.00

Details regarding individual exemptions can be found in Attachment 1.

March 2023

The total value of spending exempt from the City of Fremantle Purchasing Policy was \$42,197.50 for the month of March 2023.

The value of exemptions by category is:

Exemption Category	Value
Request for Artist	\$5,000.00
Specialist Consultancy	\$27,197.50
Specialist Legal	\$10,000.00
Total	\$42,197.50



Details regarding individual exemptions can be found in Attachment 1.

VOTING AND OTHER SPECIAL REQUIREMENTS

Simple majority required

COUNCIL DECISION ITEM ARMC2304-4 **(Committee recommendation)**

Moved: Cr Doug Thompson

Seconded: Cr Andrew Sullivan

Council receive the information report on Purchasing Policy exemptions for January to March 2023.

Carried en bloc: 12/0

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



ARMC2304-5 GRANTS AND SPONSORSHIP JULY 2022 – JANUARY 2023 – INFORMATION REPORT

Meeting date:	19 April 2023
Responsible officer:	Manager Community Development
Decision making authority:	Committee
Attachments:	1. Grants and Sponsorship Policy Funding Report – July 2022 – January 2023
Additional information:	1. Grants and Sponsorship Policy

SUMMARY

This information report outlines the City’s annual financial support provided to the community, organisations, and businesses from July 2022 to January 2023.

Council endorsed the Grants and Sponsorships Policy on 12 May 2021, providing a framework for the management of financial assistance requests (Donations, Grants and Sponsorship) across the City’s business areas. Funding requests outside the policy scope are submitted for Council endorsement.

The Policy requires that an information report is submitted to the Audit and Risk Committee on a biannual basis to notify Council of all funding decisions.

Between July 2022 and January 2023, a total monetary spend of \$194,751.77 and \$31,700.43 in-kind value was distributed from Community Development, Arts and Economic Development in support of community organisations, groups, businesses, and individuals. The funding was distributed under the Grants and Sponsorship Policy through grants, sponsorships, donations, individual support, and rebates. (See *Table 1*).

BACKGROUND

The City recognises the pivotal role community groups, organisations, businesses, and individuals play in the delivery of vibrant and diverse communities.

To support this outcome, the City provides financial, non-financial, and value in-kind support to partner with the community, organisations, and businesses in building capacity for the social, economic, and cultural life of the City.



Funding Program Details

The Grants and Sponsorship framework has several distinct funding streams, as outlined in the table below. Each funding stream includes clear criteria for the assessment of applications.

PROGRAM	DESCRIPTION	OPEN (FOR APPLICATIONS)	LEVELS OF SUPPORT
Sponsorships			
Economic Development	Supporting initiatives, programs and activations that deliver economic and visitation benefits to Fremantle	Ongoing	- Monetary - Value in-kind - Reduction of fees and charges
Community Events	Sponsorship program supports activities, initiatives and events that deliver a community benefit to Fremantle	Ongoing	- Monetary - Value in-kind - Reduction of fees and charges
Grants			
Community	Support for programs and activities that address a specific need or provide a benefit to the Fremantle community	Two rounds per year	- Monetary - Value in-kind
Arts	Strengthen the vibrant Fremantle arts sector through activation and support	Two rounds per year	- Monetary - Value in-kind
Venue Support	Provide assistance to eligible groups via the discount of Fremantle venue and reserve hire	Ongoing	- Value in-kind
Neighbourhood Quick Response	Support for projects to further strengthen Fremantle neighbourhoods and build community resilience	Ongoing	- Monetary - Value in-kind



Sporting Club Assistance	Support for local sporting clubs, incorporated and unincorporated.	Ongoing	- Monetary
Individual Assistance			
Sporting Assistance	Supporting access for young people aged 21 and under to participate in community sport programs and assistance for young people to compete or officiate in their chosen sport at a state, national or international level	Ongoing	- Monetary
Positive Ageing Assistance	Assistance for older Fremantle residents (over 60 years, Pensioner, or health care card holder) to maintain their independence and to remain in their home for longer	Ongoing	- Monetary
Donations and Rebates			
Donations	Assist local groups and individuals to Fremantle. It may also be used to provide disaster relief donations	Ongoing	- Monetary
Waste Minimisation	Rebate for residents to purchase minor infrastructure (ie: worm farm), cloth nappies and reusable sanitary items, reducing waste to landfill.	Ongoing	- Monetary

FINANCIAL IMPLICATIONS

The availability of financial support remains subject to Council's annual budgetary process and may vary annually dependent upon Council priorities and strategic requirements.



Funding assistance (grants, sponsorships, donations, rebates, fees, and charges) operational costs are set through the annual Council budgetary process or as varied by Council resolution. Table 1 below summaries the quantity, in-kind and monetary value for the July 22 to January 23 reporting period. For a full list of successful applicants, refer to attachment 1.

Table 1: Funding Assistance Summary (detailed list refer to Attachment 1.)

PROGRAM	QUANTITY	IN-KIND	CASH
Direct Sponsorships			
Arts <i>Direct Sponsorships</i>	0		0
Community Development (Allocated budget: \$79,500) <i>Direct Sponsorships</i> - Fremantle Surf Lifesaving Club - Imagined Futures - Fremantle Men's Shed - Fremantle Foundation	4		\$79,863.64
Economic Development <i>Annual Partnerships</i>	0		0
Total	4		\$79,863.64
Grants/ Sponsorships			
Arts <i>Arts Grants</i> <i>(Allocated Budget: \$50,000)</i>	4		\$25,000
Community Development <i>Community Grants</i> <i>(Allocated Budget: \$60,000.00)</i>	11		\$26,538
Neighbourhood Quick Response <i>(Allocated budget: \$15,000)</i>	2		\$2,000.00
Sporting Clubs <i>(Allocated budget: \$10,000.00)</i>	1		\$500.00
Events <i>Application Sponsorships</i> - Street parties - Events & Programs - Annual community events <i>(Allocated Budget: \$100,800.00)</i>	24	\$28,509.85	\$48,690.52
Total	42	\$28,509.85	\$102,728.52
In-kind Support			
Venue Support	5	\$3,190.58	



Waste Minimisation (Rebates)	13		\$1800.87
Total	18	\$3,190.58	\$1,800.87
Individual Assistance			
Sporting Individual (Youth) (<i>Allocated budget \$10,000</i>)	13		\$3,900.00
Positive Ageing Assistance (<i>Allocated budget: \$5,000.00</i>)	32		\$4,800.00
Total	45		\$8,700.00

Donations			
Community Donations (<i>Allocated budget: \$5,000.00</i>)	3		\$1499.19
Donate Without Doubt (<i>Matched funding</i>)	1		\$159.55
Total	4		\$1,658.74
TOTAL	113	\$31,700.43	\$194,751.77

OFFICER COMMENT

The purpose of the funding streams is to support the city in achieving its strategic goals and objectives via the funding program guidelines. The various funding streams (financial and in-kind value) support local individuals, groups, and businesses to make a positive and ongoing contribution to their community through increased collaboration, participation, capacity building, activation of places and the development of diverse and sustainable initiatives.

As outlined in the Grants and Sponsorship Policy, the outcome of all successful funding applications, including direct sponsorships, are to be reported through the Audit and Risk Committee on a biannual basis.

The City of Fremantle has proudly delivered four direct cash sponsorships to organisations/events valuing \$79,863.64. Organisations and businesses were approved for grants/applicant sponsorships valuing \$102,728.52 to date. Artists, designers and creatives of diverse experience, practice and demographic were supported to present arts and cultural activities in Fremantle for a broad audience to consume and participate in. Five businesses and organisations were supported through venue hire support to activate the City's places and spaces. Donations and matched funding through The Donate Without Doubt program contributed funding to St Patrick's Community Support Centre for emergency relief, housing, meals, welfare, education, recreation and health services for people experiencing homelessness.



45 community members were supported through the individual assistance programs for participation in sport and ability to remain independent in their homes. 13 families were supported with waste minimisation rebates for cloth nappies.

This equates to 113 occasions of financial and in-kind support with a much broader community impact and reach.

Items to note:-

- The City recognises that there is currently an underspend in cash support in the Events sponsorship budget and is actively seeking opportunities to support upcoming events. The City additionally provides ongoing support to the Fremantle Biennale and Sculpture at Bathurst through bi-annual arts sponsorships however the period July 2022 to January 2023 fell outside the times of sponsorship payment. Economic Development Annual Partnership funding also fell outside this reporting period.
- The Community and Arts grant funds are currently underspent as the March round of grants are not yet allocated. They will be included in the end of financial year reporting.
- The City expects to see an increase in applications for the Sporting Individual Youth Assistance Grants over 2023/24 as the country resumes previous event and travel schedules and also as the winter season sports commence.
- Neighbourhood Quick Response Grants have been underspent for this period and specifications as well as promotional strategies will be reviewed in coming months to improve take up.

The consolidated approach to the management of the City's funding (financial and in-kind value) under the policy has delivered responsible and strategic distribution of resources. This is reflected through cross organisational collaboration, alignment to community need and considered and transparent governance mechanisms. Administration has been streamlined through the Smarty Grants program and also enhanced the customer service experience. Further review of policy and procedure is currently underway to ensure consistency across the organisation.

The funding program has been successful in delivering on the objectives of the guidelines for each of the funding streams and contributing to the City's broader strategic objectives through July 2022 to January 2023.



VOTING AND OTHER SPECIAL REQUIREMENTS

Simple majority required

COUNCIL DECISION ITEM ARMC2304-5 **(Committee recommendation)**

Moved: Cr Doug Thompson

Seconded: Cr Andrew Sullivan

Council receive the Grants and Sponsorship Policy Funding report, as provided in attachment 1.

Carried en bloc: 12/0

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



ARMC2304-6 TENDERS AWARDED UNDER DELEGATION JANUARY TO MARCH 2023

Meeting date: 19 April 2023
Responsible officer: Procure to Pay Team Leader
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 January to March 2023.

This report recommends that Council receive the report on tenders awarded under delegation between January to March 2023.

BACKGROUND

Tenders awarded by the City are awarded under the following delegations, approved at Council on 25 May 2022:

Delegated Authority	Amount of Delegation
Finance, Policy Operations and Legislation Committee (FPOL)	\$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

All tenders were awarded within the 2022-23 budget approved at Council on 30 July 2022.

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, of the City's Register of Delegated Authority 2022-23, the Chief Executive Officer is required to report the use of this delegation to the Audit and Risk Management Committee.

CONSULTATION

Nil.

OFFICER COMMENT

Below is a list of tenders awarded under delegation between January 2023 to March 2023.

January 2023

Nil.

February 2023

Tender Description	Awarded By	Contractor(s)	Contract Term	Contract Value
FCC624/22- Hilton Bowls Club	Director	Green Planet Grass	4 Months	\$217,800.00

March 2023

Tender Description	Awarded By	Contractor(s)	Contract Term	Contract Value
FCC627/22- Static Security Walyalup Civic Centre	Director	EON Protection	2 Years	\$355,680.48
FCC623/22- Port Beach Dune Creation Works	Director	MMM (WA) Pty Ltd- Portion A-Dune Creation & Natural Area Holdings Pty Ltd- Portion B- Vegetation Planting and Maintenance	Until Practical Completion	369,133.15



VOTING AND OTHER SPECIAL REQUIREMENTS

Simple majority required

COUNCIL DECISION ITEM ARMC2304-6 **(Committee recommendation)**

Moved: Cr Doug Thompson

Seconded: Cr Andrew Sullivan

Council receive the information report on tenders awarded under delegation for January to March 2023.

Carried en bloc: 12/0

**Mayor Hannah Fitzhardinge, Cr Frank Mofflin, Cr Ben Lawver,
Cr Andrew Sullivan, Cr Marija Vujcic, Cr Doug Thompson,
Cr Bryn Jones, Cr Rachel Pemberton, Cr Adin Lang,
Cr Jenny Archibald, Cr Su Groome, Cr Fedeale Camarda**



ARMC2304-7 OVERDUE DEBTORS REPORT AS AT 28 FEBRUARY 2023

Meeting date:	19 April 2023
Responsible Officer:	Manager Financial Services
Decision making authority:	Council
Attachments:	1. Summary of Overdue Debts above Threshold <i>(Confidential attachment under separate cover)</i>
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 28 February 2023, and identify those where the amount owing is over 90 days with a total debt exceeding \$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 28 February 2023.

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.



As at the year ending 30 June 2022 an amount of \$165,134 was held as an allowance for impairment of sundry receivables. As at 28 February 2023, the current allowance held as impairment remains at \$165,134 with no debts being waived or written off to date in the 2022/23 financial year.

Summary of Sundry Debtors

As at 28 February 2023 no Sundry debts have been waived or written off during the 2022/23 financial year.

Summary of Rates Debtors

As at 28 February 2023 no Rates debts have been waived or written off during the 2022/23 financial year.

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.

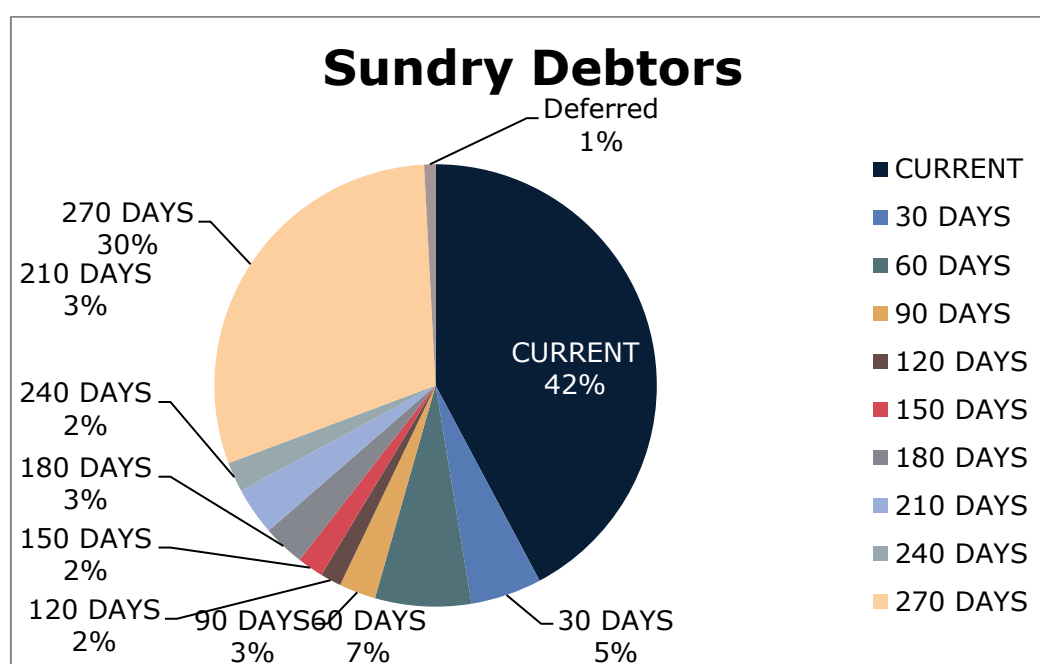


OFFICER COMMENT

The total of debts outstanding as at 28 February 2023 was \$852,499. A breakdown of aged debt for the current period compared to prior year is tabled below.

	42%	5%	7%	46%	100%
July 22 – February 23	359,824	44,284	59,836	388,555	852,499
July 22 – February 23 Excl. Commercial Properties	69%	7%	9%	16%	100%
	222,078	21,224	27,676	53,065	324,043
July 21 – February 22	401,385	110,477	35,221	455,931	1,003,014

The graph below shows the aged debt balances as at 28 February 2023:



Compared to the report of overdue debtors at 31 December 2022, presented to Audit and Risk Management Committee at the 15 February 2023 meeting, the total value of outstanding debts has decreased from \$1,575,112 to \$852,499.

Total outstanding debt over 90 days has increased from \$387,408 at the end of the previous reporting date by \$1,147 to \$388,555.

The number of overdue debtors over 90 days, and above the total debt reporting threshold of \$10,000, remains at six. Of the six reported, two debtors have increased values of debt since the prior reporting period.



These six debtors have a total debt owing of \$323,604 of which \$312,999 is over 90 days. The confidential attachment contains details of the debtors comprising this balance. Of the total outstanding, \$7,090 is deferred and subject to an agreed payment arrangement to secure payment in full by 30 June 2023.

Key Performance Indicators

When determining status or risk associated with outstanding debtors, officers typically consider and assess the following metrics:

- Total amount of outstanding debt
- Age of outstanding debt (and value of that debt)
- Frequency of payment of outstanding debt
- Outstanding debt per individual debtor
- Outstanding debt per type of debtor

Officers consider all of these metrics alongside each other as well as the debtor day ratio to assist in providing an overarching assessment of general performance of outstanding debtors. The debtor day ratio measures how quickly cash is being collected from debtors regardless of the level of total outstanding amount of debt or the type of debt, allowing for a consistent metric that will identify periods where debtors are taking longer to pay down outstanding debt.

A number of metrics have been provided to follow that provide an initial snapshot of performance and or status of outstanding debtors to follow.

Debtor Day Ratio

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.

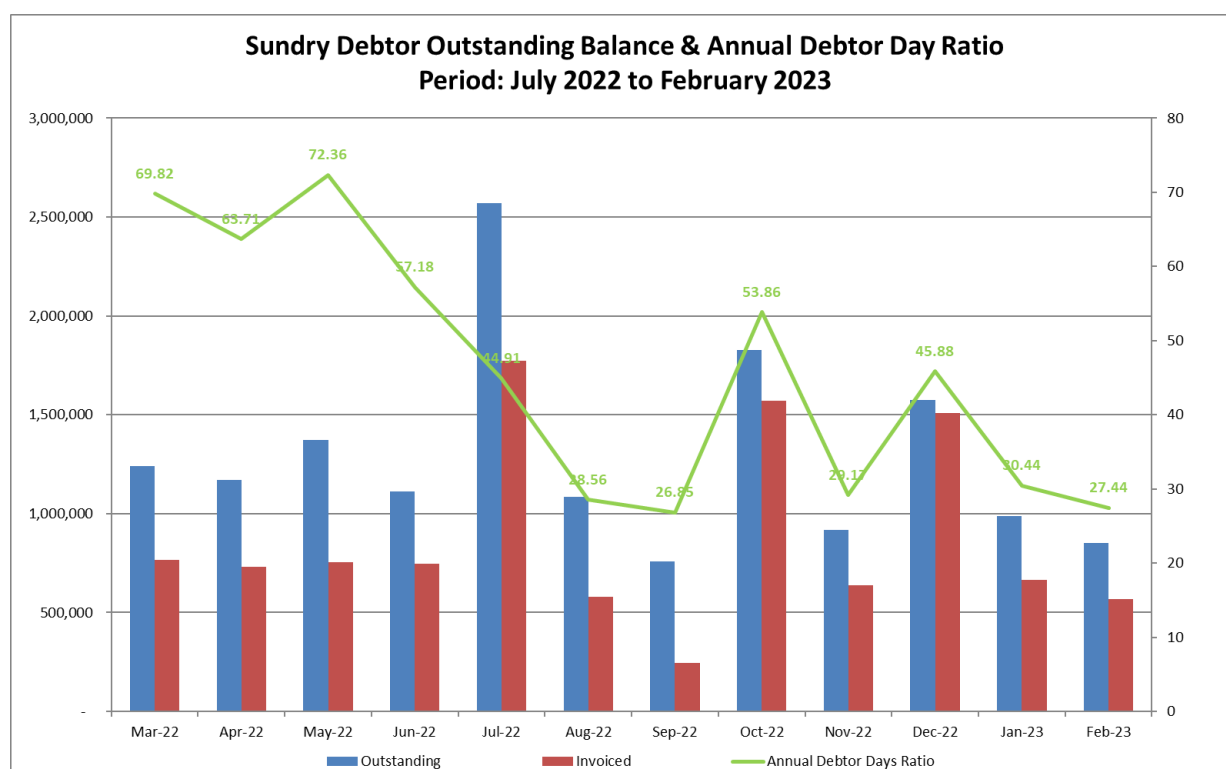
The calculation of the ratio considers the total amount outstanding at the end of the period divided by the total amount invoiced to that period for the financial year. This is then multiplied by the total number of days from 1 July to the end of the period. See calculation in the graph to follow.

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.

As at 28 February 2023, the Debtor Day Ratio was 27.44 – being a decrease from the prior reporting period as at 31 December 2022 – of 45.88. Of outstanding debt as at 31 February 2023, 42% related to current invoices that were not yet due.



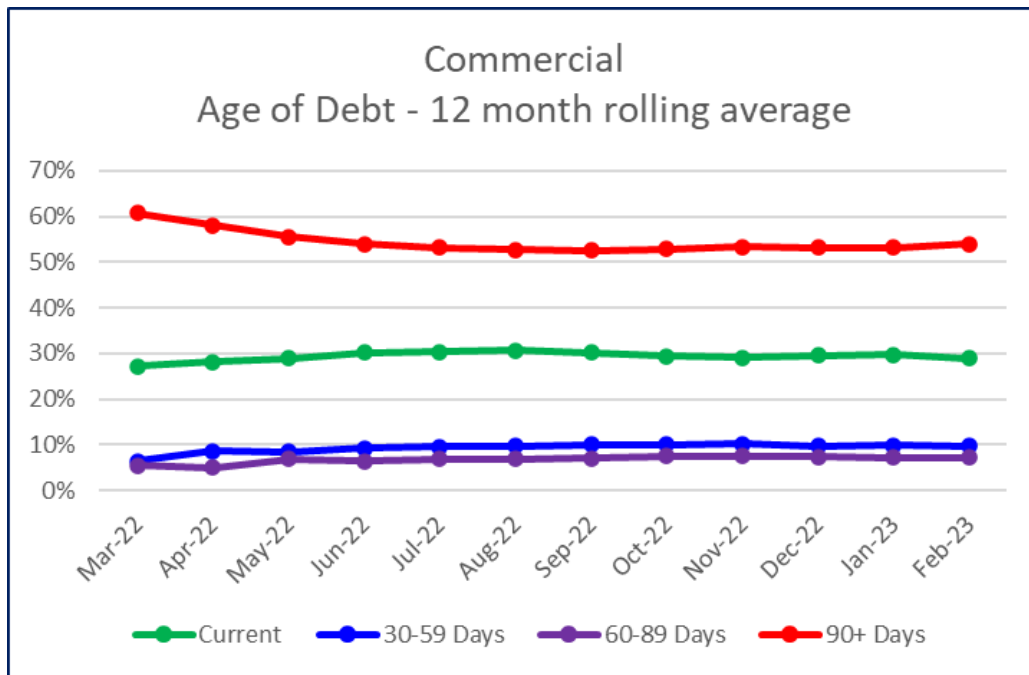
The chart indicates a positive trend since January 2022 with a notable reduction in debtor day ratio over time, indicating that on average outstanding debt is being collected more quickly. There has also been a significant reduction in total amount of outstanding debt since July 2022.



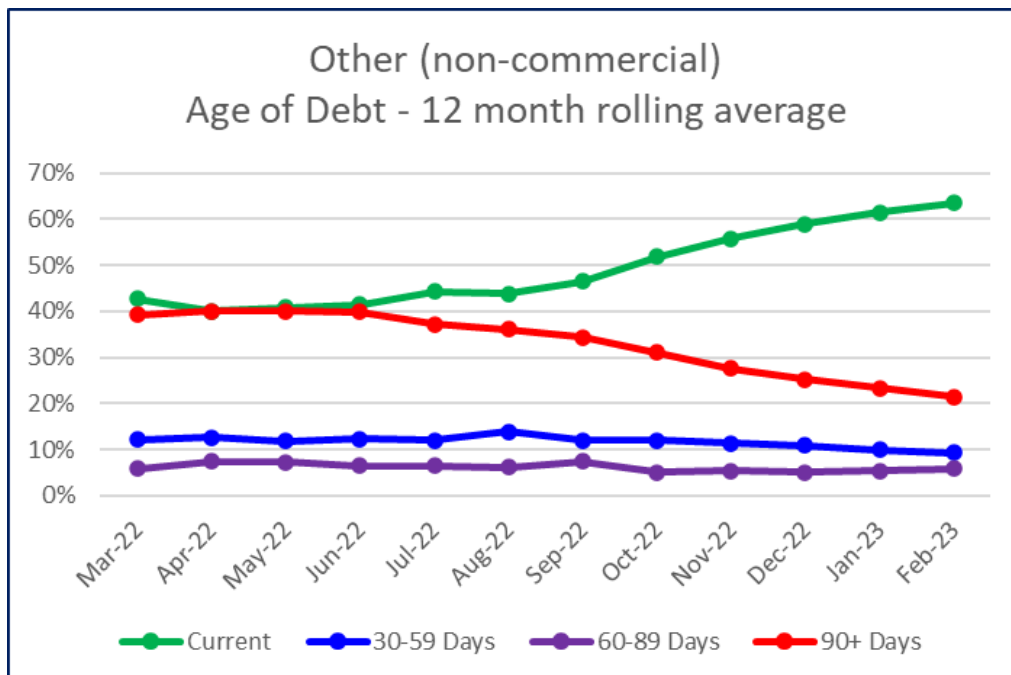
Age of Debt

The Rolling 12-month Average for debt in each age category is shown in the graphs to follow for Commercial and Other (non-commercial) debt. These graphs show the 12-month average as at each point in time, to provide a view of the trend of the City's aged debt portfolio.

The 12-month rolling average of Commercial debt shows that the portion of debt that is current has increased and remains steady at 30% while the portion of debt that is over 90 days has similarly decreased over time and appears to be steadying. This currently includes debts associated with 2 commercial property debtors carrying a significant portion of the outstanding debt. This represents a positive trend and indicates an increasing percentage of debt being paid earlier. The portion of debt in the 30-59 days and 60-89 days has not significantly changed.

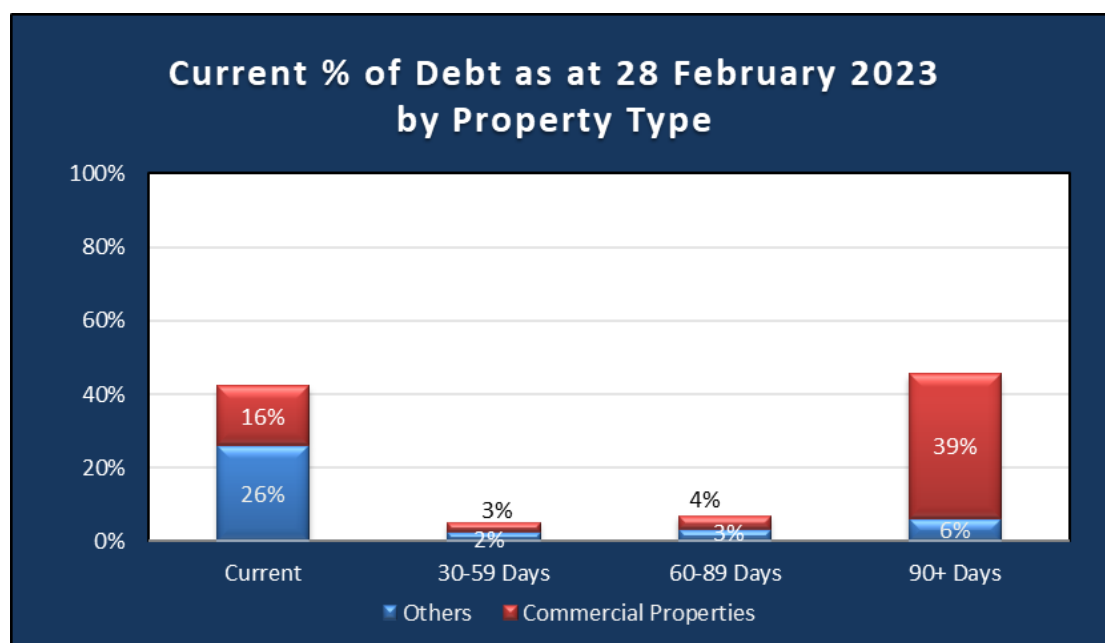


For Other (non-commercial) debt, the trends are also positive with current debt trending to represent a larger percentage of from approximately 33% in March 2022 to almost 63% in February 2023. Debt over more than 90 days has decreased from 39% in March 2022 to approximately 21% in February 2023. The portion of debt in the 30-59 days and 60-89 days has not significantly changed.





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



Of total debt, Commercial Properties account for 62% (\$528k), and account for 39% of the debt owing 90 days or more (\$335k). Deferred payment arrangements are currently in place for \$7,090 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

As at 1 April 2021 all COVID-19 waiver arrangements came to an end and 100% of normal rent became 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 \$7,090 remains outstanding. This is a reduction from the prior reporting period of \$ 3,776 with all debtors currently paying their debts progressively via direct debit arrangements.

VOTING AND OTHER SPECIAL REQUIREMENTS

Simple majority required



COUNCIL DECISION ITEM ARMC2304-7
(Committee recommendation)

Moved: Cr Doug Thompson

Seconded: Cr Andrew Sullivan

Council receive the Overdue Debtors Report as at 28 February 2023, and the confidential attachment listing overdue debts exceeding 90 days with the combined value, by debtor, exceeding \$10,000 as at 28 February 2023.

Carried en bloc: 12/0

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



ARMC2304-2 OAG AUDIT ACTIONS UPDATE – APRIL 2023

Meeting date:	19 April 2023
Responsible officer:	Director City Business
Decision making authority:	Council
Attachments:	1. Audit Actions Register <i>(Confidential attachment under separate cover)</i> 2. Action Plan – Significant and Moderate OAG Audit Findings <i>(Confidential attachment under separate cover)</i> 3. Completed Actions OAG Audit Finding <i>(Confidential attachment under separate cover)</i>
Additional information:	Nil

SUMMARY

This report provides an update on the status of actions arising from annual audits carried out by the Office of the Auditor General (OAG) and an action plan regarding the resolution of remaining actions.

The report also requests the Audit and Risk Management Committee receives and endorses the list of audit actions that officers determined have been adequately addressed.

BACKGROUND

The Local Government Act requires the City's accounts and annual financial report to be audited annually by an independent auditor.

In October 2017, the *Local Government Amendment (Auditing) Act 2017* was proclaimed, giving the Auditor General the mandate to audit Western Australia's local governments and regional councils.

The Act allowed the Auditor General to conduct performance audits from that date while financial audits transitioned to the Auditor General over four years (while existing local government audit contracts expired).

The 2020-21 financial audit was the first year the Auditor General had responsibility for all 148 local government audits, marking the end of the four-year transition provided in the *Local Government Amendment (Auditing) Act 2017*.



The City of Fremantle has now had its annual audit conducted by the OAG since then which has included a Financial Audit and General Computer Controls Audit, looking at both financial and information technology related compliance and controls.

Each audit results in a series of recommendations being made by OAG auditors, which the City reviews, tracks and actions accordingly. Recommendations are rated based on risk and severity and the city prioritises any remediation required on that basis.

In August 2022 officers presented the finalised OAG audit of the City's Annual Financial Statements for the year ending 30 June 2021 to the Audit and Risk Management Committee. The Committee subsequently requested the following:

Request the Chief Executive Officer to report to the next meeting of the Audit and Risk Committee on a prioritised and resourced action plan that considers the findings and recommendations of the OAG.

This report provides the information requested and background on status associated with any outstanding OAG audit actions.

FINANCIAL IMPLICATIONS

Nil.

LEGAL IMPLICATIONS

The City considers and actions audit recommendations in line with its requirements under the local Government Act.

CONSULTATION

Audit recommendations are implemented and actioned in consultation with OAG auditors to ensure accurate interpretation and understanding of OAG recommendations.

OFFICER COMMENT

The City manages the implementation of actions arising from audits via its Audit Actions Register. The register includes the following information:

- The audit type, which identifies whether the action relates to finance or information systems.
- The audit area, which flags the process or activity being assessed.



- The officer responsible for implementing the action.
- The level of significance associated with the finding which is typically associated with the level of risk and drives the priority associated with resolving the action.
- The Auditor's recommended actions.
- Any officer response or clarification regarding the action being recommended by the Auditor. This includes the proposed change to be implemented in order to address the auditor's recommendation.
- Comments on progress made, and current status of action being taken by the City.
- Estimated completion date and actual completion date for the items that have been resolved.

The register includes all actions and recommendations requested by auditors including those that have been completed or resolved. Attachment 1 provides a list of current actions that are yet to be completed. There are currently 8 OAG audit actions/recommendations that are still in progress. Of these 8:

- 5 actions relate to financial systems, procedures or reporting relating to the financial audit.
- 3 actions relate to information systems, general computer controls and other more general actions.

The actions are categorised by risk rating with ratings including low, minor, medium, moderate and significant. Of the 8 OAG audit actions currently outstanding:

- 2 findings are considered to be significant
- 6 findings are considered to be moderate

In order to progress the finalisation of audit actions, officers have prioritised the 2 significant findings and 3 moderate or medium findings that remain in progress, starting with those listed as significant. The current status and action/implementation plan for each significant and moderate finding has been provided in attachment 2.



The register also identifies 5 actions/recommendations that have now been completed, consolidated or resolved since the last time the audit and risk committee was updated on progress. The items that have been completed and the actions undertaken in order to achieve the required resolution have been provided in attachment 3.

It should be noted that given timelines between audit cycles are so close, actions from previous audits that are close to being finalised (i.e. prior to the end of this calendar year) may also appear as findings in the coming audit.

VOTING AND OTHER SPECIAL REQUIREMENTS

Simple majority required

OFFICERS RECOMMENDATION

Moved: Cr Su Groome

Seconded: Cr Frank Mofflin

Council:

1. Receive the updated audit actions register as provided in attachment 1.
2. Receive the audit action plan for significant and moderate findings as provided in attachment 2.
3. Note the OAG audit action item detailed in attachment 3, as completed.

PROCEDURAL MOTION

The following procedural motion was moved:

COMMITTEE RECOMMENDATION ITEM ARMC2304-2

Moved: Cr Su Groome

Seconded: Mayor Hannah Fitzhardinge

The item be deferred to the Ordinary Council Meeting to be held on 26 April 2023, for officers to provide updated attachments.

Carried: 6/0

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



OFFICERS RECOMMENDATION

Moved: Mayor Hannah Fitzhardinge Seconded: Cr Doug Thompson

Council:

1. Receive the updated audit actions register as provided in attachment 1.
2. Receive the audit action plan for significant and moderate findings as provided in attachment 2.
3. Note the OAG audit action item detailed in attachment 3, as completed.

AMENDMENT

Moved: Cr Su Groome Seconded: Mayor Hannah Fitzhardinge

To amend condition 3 as follows:

3. Note the **status of the** OAG audit action item detailed in attachment 3, ~~as completed.~~

Amendment Carried: 12/0

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

COUNCIL DECISION ITEM ARMC2304-2 (Officer's recommendation, as amended)

Moved: Mayor Hannah Fitzhardinge Seconded: Cr Doug Thompson

Council:

1. Receive the updated audit actions register as provided in attachment 1.
2. Receive the audit action plan for significant and moderate findings as provided in attachment 2.
3. Note the *status of the* OAG audit action item detailed in attachment 3.

Carried: 12/0

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



**ARMC2304-3 AUDIT OF THE ANNUAL FINANCIAL STATEMENTS 30
JUNE 2022 AND ACCEPTANCE OF THE ANNUAL REPORT**

Meeting date: 19 April 2023
Responsible officer: Manager Financial Services
Decision making authority: Council

Attachments:

1. Independent Auditor's Report - City of Fremantle – 30 June 2022
2. Final Audited Financial Statements – City of Fremantle – 30 June 2022
3. Final Audit Management Letter – City of Fremantle – 30 June 2022
(confidential attachment under separate cover)
4. Final IS Audit Management Letter – City of Fremantle – 30 June 2022
(confidential attachment under separate cover)
5. City of Fremantle 2021–22 Annual Report

Additional information:

1. Audit Exit Brief – City of Fremantle – 30 June 2022
(confidential attachment under separate cover)

SUMMARY

The audit of the City of Fremantle's Annual Financial Statements for the year ending 30 June 2022 has been completed by the Office of the Auditor General (OAG) with Council being provided with an Independent Auditor's Report.

The City has received an unqualified audit report. As indicated in the Independent Auditor's Report, in the opinion of the Auditor General the Annual Financial Statements of the City of Fremantle fairly represent the results of the operation of the City and its financial position for the year ending 30 June 2022.

Upon receiving the audit report, Council is required to accept the Annual Report for the year ending 30 June 2022, and set the date for the Annual General Meeting of Electors, to consider matters arising with respect to the previous financial year.



This report recommends Council:

- 1. Receive the Independent Auditor's Report and adopt the Audited Financial Statements for the financial year ending 30 June 2022.**
- 2. Accept the City of Fremantle 2021–22 Annual Report and advertise the availability of the Annual Report; and**
- 3. Set the date for the 2022 Annual General Meeting of Electors.**

BACKGROUND

The OAG audited the City's Annual Financial Statements for the year ending 30 June 2022 and have provided an Independent Auditor's Report as required under the relevant provisions of the *Local Government Act 1995* (the Act). The audit work was performed by Grant Thornton on behalf of the OAG.

The Audit Exit Meeting took place on 5 April 2023 attended by Senior Director Practice Manager from the Office of the Auditor General, Partner from Grant Thornton as well as City of Fremantle Chair of the Audit and Risk Management Committee, Chief Executive Officer, Director of City Business and Manager Financial Services. At this meeting the Audit Exit Brief was discussed. The Audit Exit Brief is attached for the Committee's review as a confidential attachment.

The key outcomes of the Audit Exit Brief were:

- Audit team would recommend the Auditor General issue an unqualified audit opinion on the City's financial statements for the year ended 30 June 2022.
- The Exit Brief included items identified during the Final Audit.

In accordance with section 7.12A(2) of the Act and the *Local Government (Audit) Regulations 1997*, Council is required to meet with the External Auditor at least once per year. The Office of the Auditor General has confirmed that this requirement was satisfied during the Exit meeting held 5 April 2023.

FINANCIAL IMPLICATIONS

For year ending 30 June 2022, the closing balance as per the Rate Setting Statement (cash position) was a surplus of \$10,574,730. Original budget adoption for 2022-23 carried forward amount of \$8.9m surplus.

Since the adoption of the budget, further adjustments have been made to the operating results for 30 June 2022 in the monthly financial reports to \$14.4m. As part of the close out of the audit, this amount will now need to be adjusted by \$4,243,000 due to an amendment of the Assets Held for Sale.



The adjustment excluded the properties from net current assets as they were reassessed to be restricted assets. The sale proceeds will be transferred to reserve account once they are sold, which have been budgeted in 2022/23 financial year. The closing balance of net current assets is therefore reduced by \$4,243,000.

The following table provides a high-level summary of Council's financial performance for year ending 30 June 2022.

Description	Adopted Budget 2021-22 \$M	Audited Actual 2021-22 \$M	Variance (Actual to Budget) \$M
Opening Surplus	4.4	15.1	10.7
Operating			
Rate Revenue	50.3	50.1	(0.2)
Revenue	28.1	29.1	0.9
Expenses	(83.1)	(81.2)	1.9
Non-Cash Adj.	9.0	6.8	(2.1)
	4.3	4.8	0.5
Investing			
Capital Revenue	16.5	4.6	(11.9)
Capital Expenses	(24.4)	(17.1)	7.3
	(7.9)	(12.5)	(4.6)
Financing			
Repayment Loans & Leases	(2.5)	(2.8)	(0.3)
Reserve Transfers	1.7	6.0	4.3
	(0.8)	3.2	4.0
Closing Surplus	0.00	10.6	10.6

LEGAL IMPLICATIONS

Section 7.12AD of the *Local Government Act 1995* states that,

- (1) the auditor must prepare and sign a report on a financial audit.
- (2) The auditor must give the report to -
 - a) the mayor, president or chairperson of the local government; and
 - b) the CEO of the local government; and
 - c) The Minister.



Section 5.27 of the Local Government Act 1995 states that the City must hold a general meeting of electors once for each financial year, within 56 days of the acceptance of the Annual Financial Report and that the matters to be discussed are as prescribed.

Section 5.53 of the Local Government Act states that the City is to prepare an Annual Report for each financial year, containing the following:

- a report from the mayor or president; and
- a report from the CEO; and
- an overview of the plan for the future of the district made in accordance with section 5.56, including major initiatives that are proposed to commence or to continue in the next financial year;
- the financial report for the financial year; and
- such information as may be prescribed in relation to the payments made to employees; and
- the auditor's report for the financial year; and
- a matter on which a report must be made under section 29(2) of the Disability Services Act 1993; and
- details of entries made under section 5.121 during the financial year in the register of complaints, including —
 - o the number of complaints recorded in the register of complaints; and
 - o how the recorded complaints were dealt with; and
 - o any other details that the regulations may require; and
 - o such other information as may be prescribed.

CONSULTATION

The Annual General Meeting of Electors is held to discuss the contents of the Annual Report, including the previous year's financial report, and to address any other general business relevant to the City of Fremantle which may be raised by an elector.

OFFICER COMMENT

The City has completed its Annual Financial Statements for the year ended 30 June 2022 and received an unqualified Independent Auditor's Report from the Office of the Auditor General.



In the opinion of the Auditor General the annual financial report of the City:

- (i) is based on proper accounts and records; and
- (ii) fairly represents, in all material respects, the results of the operations of the City for the year ended 30 June 2022 and its financial position at the end of that period in accordance with the *Local Government Act 1995* (the Act) and, to the extent that they are not inconsistent with the Act, Australian Accounting Standards.

The Independent Auditor's Report made recommendation to strengthen controls and build future efficiencies in the following areas:

- a) Policies and procedures
- b) Reports and reconciliation to the trial balance
- c) Cash and cash equivalents – Authorised signatories
- d) Accruals raised at year end
- e) Prepaid expenses and allocations
- f) Long Service Leave schedule
- g) Retention of supporting reports for transactions
- h) Fair Value of Infrastructure Assets – Frequency of Valuations

The Final Audit Management Letter documented one significant issue in relation to fair value of infrastructure assets- frequency of valuations. This matter was first raised on the third of April 2023. Officers were advised by the OAG that all Local Governments in Western Australia received this as a blanket significant finding for the industry.

The City of Fremantle perform impairment testing annually and external valuations are performed every five years. Based on the finding, the City will expand the annual impairment review to include analysis on current market conditions to assess if a formal revaluation is required sooner than the five-year period allowed under the *Local Government (Financial Management) Regulations 1996*. The City is currently undertaking this review as it is due in the current financial year which is in line with the regulations and the auditor was advised of this during the audit process.



INDEX OF FINDINGS	RATING		
	Significant	Moderate	Minor
Findings identified in the current audit			
1. Policies and Procedures		✓	
2. Reports and Reconciliations to the Trial Balance		✓	
3. Cash and Cash Equivalents – Authorised Signatories		✓	
4. Accruals Raised at Year End		✓	
5. Prepaid Expenses and Allocations			✓
6. Long Service Leave Schedule			✓
7. Retention of Supporting Reports for Transactions		✓	
8. Fair Value of Infrastructure Assets - Frequency of Valuations	✓		

The details of these findings, together with the City's management response, can be found in the Final Audit Management Letter, which is attached for the Committee's review as a confidential attachment.

Key to ratings

The Ratings in this Final Audit Management Letter are based on the Audit Team's assessment of risks and concerns with respect to the probability and/or consequence of adverse outcomes if action is not taken. Consideration to these potential adverse outcomes is in the context of both quantitative impact (for example financial loss) and qualitative impact (for example inefficiency, non-compliance, poor service to the public or loss of public confidence).

Significant Those findings where there is potentially a significant risk to the entity should the finding not be addressed by the entity promptly.

Moderate Those findings which are of sufficient concern to warrant action being taken by the entity as soon as practicable.

Minor Those findings that are not of primary concern but still warrant action being taken.

Full details of the above finding, including implications and recommendations, are contained in the attached Final Audit Management Letter.



Annual Report and Annual General Meeting of Electors

The Annual Report outlines the City's actions and achievements over the relevant financial year and provides important information relating to finances and governance. It also explores some of the services and programs that we provide to the community and an abridged version of the financial report.

The 2021–22 Annual Report, provided in Attachment 5 of this report, is in a final draft format and is subject to further formatting to make the information more accessible and reader-friendly.

If Council accepts the Annual Report and the proposed meeting date for the 2022 Annual General Meeting of Electors, statutory advertising notifying the availability of the Annual Report and meeting date will be placed in the local newspaper. Once accepted by Council, the Annual Report, auditors report and full financial statements will be placed on the City's website, and copies will be made available for viewing at the Walyalup Civic Centre.

VOTING AND OTHER SPECIAL REQUIREMENTS

Absolute majority required

OFFICER RECOMMENDATION

Moved: Cr Su Groome

Seconded: Cr Andrew Sullivan

Council:

1. Receive the Independent Auditor's Report, provided in Attachment 1, issued by the Office of the Auditor General for the financial year ending 30 June 2022.
2. Receive the Final Audit Management Letter, as provided in Attachment 3, and the Final IS Audit Management Letter as provided in Attachment 4, as issued by the Office of the Auditor General for year ending 30 June 2022.
3. Accept the Audited Financial Statements, as provided in Attachment 2, for the City of Fremantle for the financial year ending 30 June 2022.
4. Accept the City of Fremantle 2021-2022 Annual Report, as provided in Attachment 5, in accordance with Section 5.53 and 5.54(1) of the *Local Government Act 1995*, noting that:



- a. minor typographical amendments, that do not affect the intent of the document may be made; and
 - b. an abridged version of the City's financial statements and audit report will be included.
5. Advertise the availability of the Annual Report in accordance with Section 5.55 of the *Local Government Act 1995*.
 6. Set the date for the 2022 Annual General Meeting of Electors as Tuesday 6 June 2023, to be held at the Walyalup Civic Centre at 6pm, in accordance with Section 5.27 of the *Local Government Act 1995*.

AMENDMENT

Moved: Mayor Hannah Fitzhardinge

Seconded: Cr Andrew Sullivan

- 4c. Officers will develop a communication piece to accompany the annual report.**

Amendment carried: 6/0

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

COMMITTEE RECOMMENDATION ITEM ARMC2304-3 **(Officer's recommendation, as amended)**

Moved: Mayor Hannah Fitzhardinge

Seconded: Cr Andrew Sullivan

Council:

- 1. Receive the Independent Auditor's Report, provided in Attachment 1, issued by the Office of the Auditor General for the financial year ending 30 June 2022.**
- 2. Receive the Final Audit Management Letter, as provided in Attachment 3, and the Final IS Audit Management Letter as provided in Attachment 4, as issued by the Office of the Auditor General for year ending 30 June 2022.**
- 3. Accept the Audited Financial Statements, as provided in Attachment 2, for the City of Fremantle for the financial year ending 30 June 2022.**



4. **Accept the City of Fremantle 2021-2022 Annual Report, as provided in Attachment 5, in accordance with Section 5.53 and 5.54(1) of the *Local Government Act 1995*, noting that:**
 - a. **minor typographical amendments, that do not affect the intent of the document may be made; and**
 - b. **an abridged version of the City's financial statements and audit report will be included.**
 - c. **officers will develop a communication piece to accompany the annual report.**
5. **Advertise the availability of the Annual Report in accordance with Section 5.55 of the *Local Government Act 1995*.**
6. **Set the date for the 2022 Annual General Meeting of Electors as Tuesday 6 June 2023, to be held at the Walyalup Civic Centre at 6pm, in accordance with Section 5.27 of the *Local Government Act 1995*.**

Carried: 6/0

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

COUNCIL DECISION ITEM ARMC2304-3
(Committee recommendation)

Moved: Mayor Hannah Fitzhardinge

Seconded: Cr Su Groome

Council:

1. **Receive the Independent Auditor's Report, provided in Attachment 1, issued by the Office of the Auditor General for the financial year ending 30 June 2022.**
2. **Receive the Final Audit Management Letter, as provided in Attachment 3, and the Final IS Audit Management Letter as provided in Attachment 4, as issued by the Office of the Auditor General for year ending 30 June 2022.**
3. **Accept the Audited Financial Statements, as provided in Attachment 2, for the City of Fremantle for the financial year ending 30 June 2022.**
4. **Accept the City of Fremantle 2021-2022 Annual Report, as provided in Attachment 5, in accordance with Section 5.53 and 5.54(1) of the *Local Government Act 1995*, noting that:**



- a. minor typographical amendments, that do not affect the intent of the document may be made; and
 - b. an abridged version of the City's financial statements and audit report will be included.
 - c. officers will develop a communication piece to accompany the annual report.
5. Advertise the availability of the Annual Report in accordance with Section 5.55 of the *Local Government Act 1995*.
6. Set the date for the 2022 Annual General Meeting of Electors as Tuesday 6 June 2023, to be held at the Walyalup Civic Centre at 6pm, in accordance with Section 5.27 of the *Local Government Act 1995*.

Carried: 12/0

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



13. Reports and recommendations from officers

ITEMS CARRIED "EN BLOC"

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

COUNCIL DECISION

Moved: Mayor Hannah Fitzhardinge Seconded: Cr Rachel Pemberton

The following items be adopted en bloc as recommended:

C2304-1	SCHEDULE OF PAYMENTS – MARCH 2023
C2304-2	STATEMENT OF INVESTMENTS – MARCH 2023

Carried en bloc: 12/0

**Mayor Hannah Fitzhardinge, Cr Frank Mofflin, Cr Ben Lawver,
Cr Andrew Sullivan, Cr Marija Vujcic, Cr Doug Thompson,
Cr Bryn Jones, Cr Rachel Pemberton, Cr Adin Lang,
Cr Jenny Archibald, Cr Su Groome, Cr Fedeale Camarda**



C2304-1 SCHEDULE OF PAYMENTS – MARCH 2023

Meeting date:	26 April 2023
Responsible officer:	Procure to Pay Team Lead
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 March 2023, 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 March 2023, is provided within Attachments 1 and 2.

FINANCIAL IMPLICATIONS

A total of \$11,080,359.56 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;*
 - (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 March 2023 by payment type:

Payment Type	Amount (\$)
Cheque / EFT / Direct Debit	\$ 7,751,925.34
Purchase card transactions	\$ 43,260.18
Salary / Wages / Superannuation	\$ 3,285,174.04
Total	\$ 11,080,359.56



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 March 2023.

VOTING AND OTHER SPECIAL REQUIREMENTS

Simple majority required

COUNCIL DECISION ITEM C2304-1 **(Officer's recommendation)**

Moved: Mayor Hannah Fitzhardinge

Seconded: Cr Rachel Pemberton

Council:

- 1. Accept the list of payments made under delegated authority, totalling \$11,080,359.56 for the month ending 31 March 2023, as contained within Attachment 1.**
- 2. Accept the detailed transaction listing of Purchase Card expenditure, totalling \$43,260.18 for the month ending 31 March 2023, as contained within Attachment 2.**

Carried en bloc: 12/0

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



C2304-2 STATEMENT OF INVESTMENTS – MARCH 2023

Meeting date:	26 April 2023
Responsible officer:	Manager Finance
Decision making authority:	Council
Attachments:	1. Statement of Investments – March 2023
Additional information:	Nil

SUMMARY

This report outlines the investment of surplus funds for the month ending 31 March 2023 and provides information on these investments for Council consideration.

This report recommends that Council receive the Investment Report for the month ended 31 March 2023, as provided in Attachment 1.

The investment report provides a snapshot of the City's investment portfolio and includes information as at 31 March 2023 in relation to:

- **Portfolio details;**
- **Portfolio credit framework;**
- **Portfolio liquidity;**
- **Portfolio fossil fuel summary;**
- **Interest income; and**
- **Investing activities.**

BACKGROUND

In accordance with the Investment Policy adopted by Council, the City of Fremantle 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 into appropriately rated and liquid investments, until the City requires the money for operational expenditure.

The City has committed to carbon neutrality and therefore 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 \$1,084,874 against a YTD budget of \$923,886 and a full year amended budget of \$1,110,950. Interest earnings year to date are higher than budget, with \$171,341 being earned in March. Current investment markets continue to offer attractive interest rates.

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 3.75% for the month of March 2023. The City's actual portfolio return in the last 12 months is 1.90%, which compares on par with the benchmark Bloomberg AusBond Bill Index reference rate of 2.04% (refer to 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

The City's Investment Portfolio Manager has provided a comprehensive Investment Report for the month ending 31 March 2023 which can be viewed in the Attachment. A summary of the investment report is provided below.

1. Portfolio Details

As at 31 March 2023, the City's investment portfolio totalled \$48.28m. The market value of this investment was \$48.65m at that time, which takes into account accrued interest.

The investment portfolio is made up of:

Cash Investments (<= 3 months)	\$ 7.78m
Term Deposits (> 3 months)	\$ 40.50m
TOTAL	\$ 48.28m



Of which:

Unrestricted cash	\$ 39.00m
Restricted cash (Reserve Funds)	\$ 9.28m
TOTAL	\$ 48.28m

The current amount of \$39m held as unrestricted cash represents 46.81% of the total adopted budget for operating revenue (\$83.31m)

2. Portfolio Credit Framework

The City's Investment policy determines the maximum amount to be invested in any one Tier, or any one financial institution within a Tier, 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 noted below.

Portfolio Credit Framework limits

The Portfolio Credit Framework limits prescribe the limit of investments that may be made within any Tier of financial institutions. The maximum allocation to be invested in each Tier, and the City's actual investment allocation in those Tiers as at 31 March 2023, is outlined below, and shows that the distribution of the City's investments across the four Tiers is compliant.

Tier	Allocation	Allocation %	Maximum Allocation %	% Used of Maximum Allocation	% Available of Maximum Allocation	% Exceeded of Maximum Allocation
Tier 1	14,636,822.96	30.32%	100.00%	30.32%	69.68%	0.00%
Tier 2	25,143,318.55	52.08%	60.00%	86.80%	13.20%	0.00%
Tier 3	8,500,000.00	17.60%	35.00%	50.29%	49.71%	0.00%
Tier 4	0.00	0.00%	15.00%	0.00%	100.00%	0.00%
	48,282,141.51					
Values used in the above calculations exclude interest for term deposits and other simple interest securities.						

Within each Tier, the Counterparty Credit Framework limits prescribe the limit of investments that may be made with any one financial institution. The maximum percentage of investments to be held with any one financial institution, within a given Tier, are outlined 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 City's funds invested as at 31 March 2023, relative to the Counterparty Credit Framework limits were as follows:



As highlighted in the chart above, the City's portfolio of investments as at 31 March 2023 is compliant with the City's investment policy.

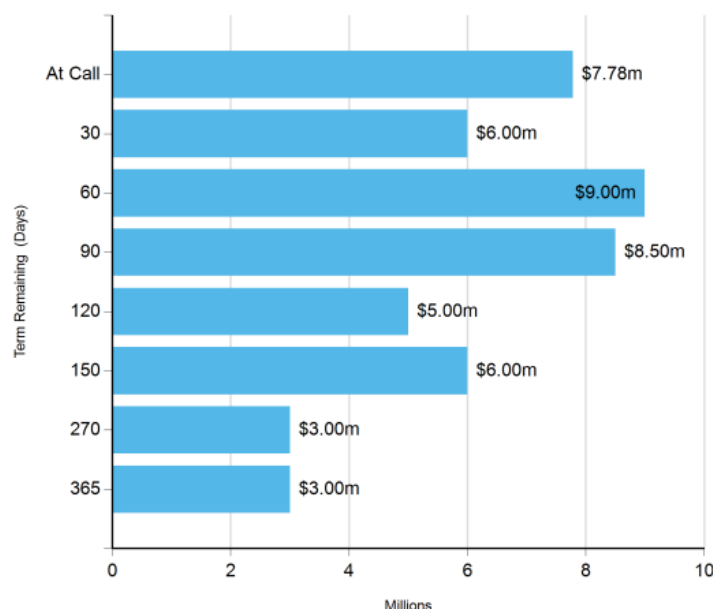
3. Portfolio Liquidity Indicator

The City's 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 March 2023. Currently, all investments will mature in one year or less.



Face Value by Term Remaining



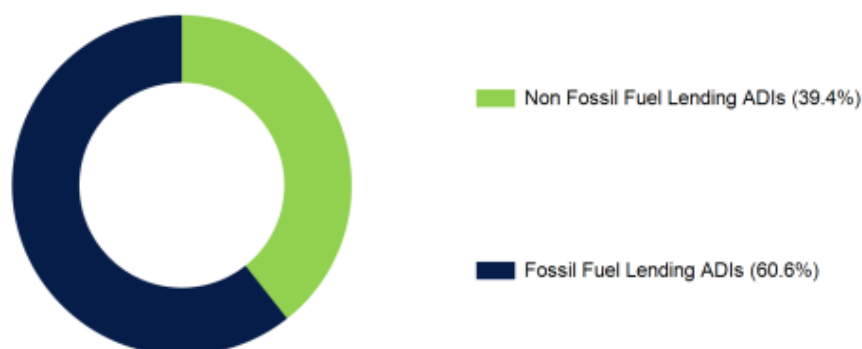
4. Portfolio Summary by Fossil Fuels Lending Authorised Deposit-Taking Institutions (ADIs)

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).

As at 31 March 2023, \$19m (39.4%) of the City's portfolio was invested in "Green Investments".



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



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

5. Interest Income for Matured Investments

Per Attachment 1 (Note 9), interest income earned during March 2023 from matured investments was \$87,722.

6. Investing Activities

In March 2023, five term deposits totalling \$7m, matured and out of a total of \$6.0m were reinvested across 4 term deposits.

Full details of the institutions invested in, interest rates, number of days and maturity date for investments held as at 31 March 2023 are provided in Attachment 1.

VOTING AND OTHER SPECIAL REQUIREMENTS

Simple majority required.

COUNCIL DECISION ITEM C2304-2 **(Officer's recommendation)**

Moved: Mayor Hannah Fitzhardinge

Seconded: Cr Rachel Pemberton

Council receive the Investment Report for the month ending 31 March 2023, as provided in Attachment 1.

Carried en bloc: 12/0

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



C2302-3 MONTHLY FINANCIAL REPORT - MARCH 2023

Meeting date: 26 April 2023
Responsible officer: Manager Financial Services
Decision making authority: Council
Attachments: 1. Monthly Financial Report – March 2023
Additional information: Nil

SUMMARY

The monthly financial report for the period ending 31 March 2023 has been prepared and tabled in accordance with the *Local Government (Financial Management) Regulations 1996*.

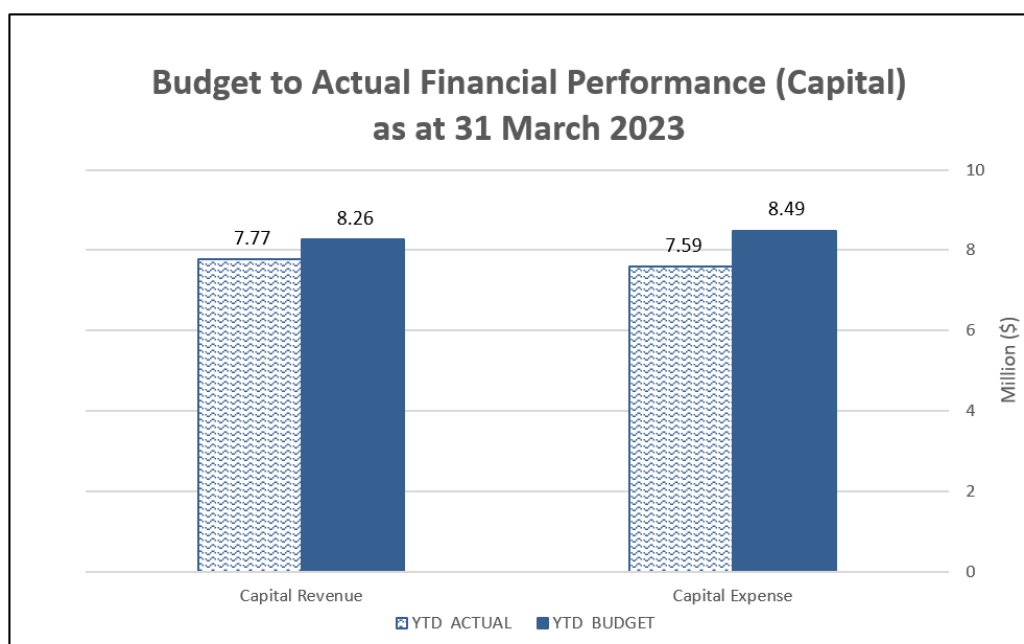
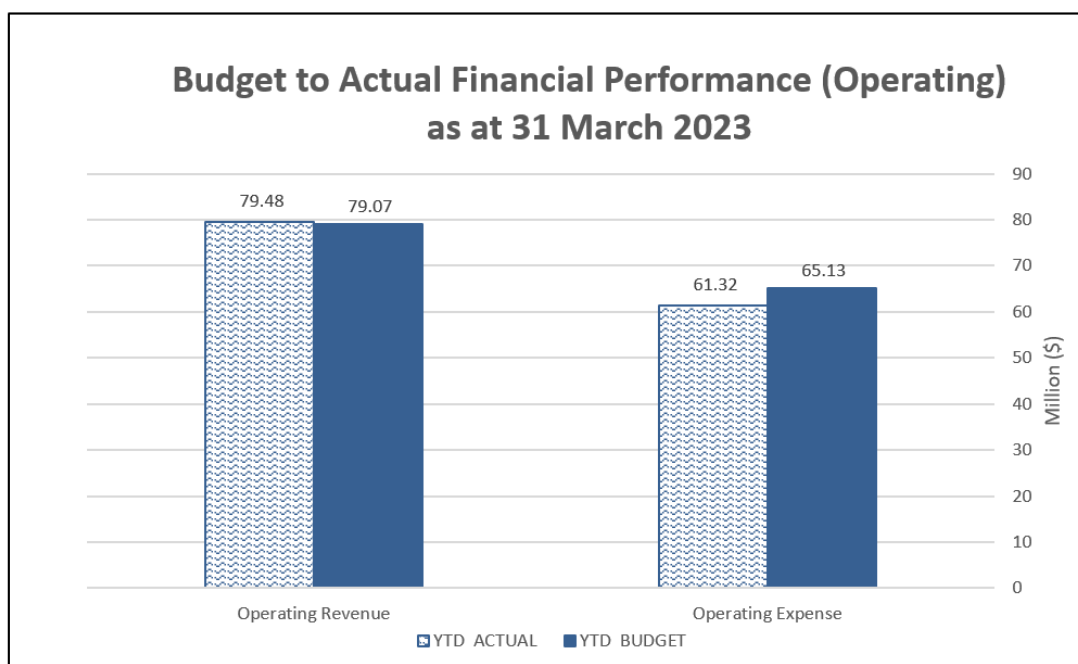
This report provides an analysis of financial performance up to March 2023 based on the following statements:

- **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.**

This financial report for the period ended 31 March 2023 is prepared considering accrued interest on borrowings (loans) and prepaid insurance premiums, also including carry forward adjustments and mid-year budget amendments.

BACKGROUND

The following graph and table provide a high-level summary of the Council's year to date financial performance as at 31 March 2023.



RATE SETTING STATEMENT – BY NATURE AND TYPE FOR THE PERIOD TO 31 March 2023

Below is a summary of the year-to-date Rate Setting Statement, by Nature and Type, to 31 March 2023. The detailed Statement can be found in the attached Financial Report.



Description	YTD Amended Budget	YTD Actual	Variance	Variance
	\$M	\$M	\$M	%
Opening Surplus	14.40	10.58	(3.82)	(26.55%)
Operating				
General Rate Revenue	53.15	53.15	0.00	0.00%
Revenue (Exc. Rates)	25.92	26.33	0.41	1.58%
Expenses	(65.13)	(61.32)	3.81	5.85%
Non-Cash Adj.	8.52	8.12	(0.40)	(4.69%)
	22.46	26.28	3.82	17.01%
Investing				
Capital Revenue	8.26	7.77	(0.49)	(5.90%)
Capital Expenses	(8.49)	(7.59)	0.90	10.57%
	(0.23)	0.18	0.41	179.87%
Financing				
Repayment Loans & Leases	(2.02)	(2.01)	0.01	0.51%
Reserve Transfers	(1.80)	(2.62)	(0.82)	(45.26%)
	(3.82)	(4.63)	(0.81)	(21.07%)
Closing Surplus/(Deficit)	32.81	32.41	(0.40)	(1.21%)

STATEMENT OF COMPREHENSIVE INCOME – BY NATURE AND TYPE FOR THE PERIOD TO 31 March 2023

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

Description	YTD Amended Budget \$	YTD Actual \$	Variance \$	Variance %
Operating Income				
Rates (including Annual Levy)	53,335,534	53,338,675	3,141	0.01%
Service Charges	758,804	758,524	(280)	(0.04%)
Op. Grants, Subsidies & Contributions	2,299,103	2,350,760	51,657	2.25%
Fees and Charges	19,503,362	19,844,864	341,502	1.75%
Interest Earnings	1,377,886	1,490,152	112,266	8.15%
Reimbursement Income	1,177,311	1,038,052	(139,259)	(11.83%)
Other Income	617,285	659,511	42,226	6.84%
Total	79,069,285	79,480,539	411,254	0.52%
Operating Expenses				
Employee Costs	(30,780,039)	(28,825,656)	1,954,383	6.35%



Employee costs - Agency Labour	(1,446,461)	(1,348,186)	98,275	6.79%
Materials and Contracts	(20,580,923)	(18,866,329)	1,714,594	8.33%
Depreciation – Non-Curr. Assets	(8,522,385)	(8,782,013)	(259,628)	(3.05%)
Interest Expenses	(393,352)	(397,465)	(4,113)	(1.05%)
Utility Charges	(1,413,368)	(1,313,179)	100,189	7.09%
Insurance Expenses	(796,668)	(746,351)	50,317	6.32%
Other Expenditure	(1,198,577)	(1,039,580)	158,997	13.27%
Total	(65,131,773)	(61,318,758)	3,813,015	5.85%

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 tracking against budget, and 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

Summary of financial performance

As at the end of March 2023, the City has a strong financial position with a surplus of \$32.41m, slightly under the year to date amended budget by \$0.4m.

This report includes all the mid-year budget review adjustments and the adjustments from the final audit of annual financial statement 2021-22 Financial year. There is an additional operating surplus of \$3.82m for the period ended 31 March 2023, offset by the audit adjustment of \$3.82m for the carry forward funds from 2021-22 FY. Capital expenditure is underspent by \$0.90m, which is offset by a reduction of reserve transfer by \$0.81m and lower than expected capital revenue of \$0.49m.



Interest income remains higher than budget due to increasing interest rates generating strong investment returns. Overall parking revenue was the primary contributor to increased fees and charges revenue. Cost savings in salary and wages are due to vacant positions, which will be closely monitored for the rest of this financial year. Expenditure on materials & contracts and utilities has fallen behind budget mainly due to timing difference of receipt of invoices.

In summary, year to date, as at the end of March 2023, the surplus is under the YTD amended budget by \$396k, which is mainly due to:

Favourable variances against the year-to-date budget:

- Increased Fees and Charges revenue of \$342k;
- Increased Interest Earnings of \$112k;
- Budget savings of operating expenditure of \$3.81m; and
- Budget savings of capital expenditure of \$897k.

These favourable variances were offset by:

- Below- Budget carry forward funds from the 2021-22 financial year of \$3.82m compared to the amended budget;
- Below-budget Reserve Transfers (Capital and operating) of \$815k;
- Below-budget Capital Grants and Subsidies/ Contributions for the development of Assets of \$487k; and
- Below-budget Reimbursement Income of \$139k.

Accounting methods

The City manages its finances in line with the requirements of the Local Government Act 1995, associated regulations and Australian accounting standards.

The City carries out accounting on both an accrual basis and a cash basis.

Accrual accounting requires accounting transactions to be recognised and recorded when they occur, regardless of whether payment/receipt has been made at that time, in accordance with the Australian Accounting standards.

The City accounts for Rates, Service Charges, Interest income on term deposits, Insurance expenses and Interest expenses on borrowings (loans) & leases on an accrual basis.

The remainder of income and expenditure items are recognised and recorded at the period they are encountered.



Explanation of Material Variances & YTD Performance

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 the 2022-23 financial year for reporting material variances as 10% together with the minimum value of \$100,000 (Refer Item C2201-1 from Council meeting on 20 July 2022).

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.

Building on the favourable opening surplus for the year, the following items explain the City's major variances in operating performance for this financial year, as highlighted in the year-to-date Rate Setting Statement as at 31 March 2023:

Description	Variance Amount (\$)	Comment
Net current assets at start of financial year - surplus/(deficit)	(3,822,299)	▼ (26.55%)
Major Variances:		
Carry forward funds from the 2021-22 financial year	(3,822,299)	The operating results for 30 June 2022 have been adjusted by \$4,243,000 due to the adjustment of Assets Held for Sale. The City has properties held for sale with a value of \$4,243,000. The adjustment excluded the properties from net current assets as they were reassessed to be restricted assets. The sale proceeds will be transferred to reserve account once they are sold, which have been budgeted in 2022/23 financial year. The closing balance of net current assets is therefore reduced by \$4,243,000.
Reimbursement Income	(139,259)	▼ (11.83%)
Major Variances:		
Lease Union Store 41-47 High Street Fremantle - Variable Out	(189,638)	Accounting variance: approved budget for the year is higher than actual rental income. Budget to be adjusted through the next budget amendment report to council.



Description	Variance Amount (\$)	Comment
Other Expenditure	158,997	 13.27%
Major Variances:		
Train and develop elected members	46,407	Timing variance - actual training and development expenses were lower than anticipated.
Support the mayor and councillors	45,468	Timing variance : actual sponsorship expenses were lower than anticipated.
Capital Expense - Purchase Infrastructure - Roads	143,544	 16.37%
Major Variances:		
P-12109 Resurface - R2R - Lewington St	35,000	Accounting variance – budget phasing needs to be updated.
P-12111 Resurface - R2R - Edmund St (Samson to Watkins St)	32,193	Favourable variance: project complete and under budget.
P-12094 Resurface - MRRG - Winterfold EB	20,167	Favourable variance: project is complete and final invoice is yet to be received. A saving expected.
Capital Expense - Purchase Infrastructure - Parks	317,572	 16.69%
Major Variances:		
P-10077 Program-Parks-Infrastructure	218,688	Timing variance - various infrastructure renewal projects are in the design and procurement phases and have experienced delays due to resource availability. All works are expected to be completed this financial year.
P-12096 Design and construct - Pioneer Park - Bore	81,400	Timing variance - project in design phase and works are due to be completed by May.
Reserve Transfers	(814,966)	 45.26%
Major Variances:		
Transfer from Reserve (Restricted) – Capital	(944,889)	Timing variance: variance is primarily attributed to an underspend on capital works, therefore, the required funding from Reserves is less than budgeted year to date.



VOTING AND OTHER SPECIAL REQUIREMENTS

Simple majority required

COUNCIL DECISION ITEM C2304-3 **(Officer's recommendation)**

Moved: Mayor Hannah Fitzhardinge

Seconded: Cr Frank Mofflin

Council receive the Monthly Financial Report, as provided in Attachment 1, 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 March 2023.

Carried: 12/0

**Mayor Hannah Fitzhardinge, Cr Frank Mofflin, Cr Ben Lawver,
Cr Andrew Sullivan, Cr Marija Vujcic, Cr Doug Thompson,
Cr Bryn Jones, Cr Rachel Pemberton, Cr Adin Lang,
Cr Jenny Archibald, Cr Su Groome, Cr Fedeale Camarda**



C2304-4 CEO PERFORMANCE REVIEW COMMITTEE REPORT – MARCH 2023

Meeting date: 23 March 2023
Responsible officer: Manager People and Culture
Decision making authority: Council
Attachments: 1. Minutes of the CEO Performance Review Committee meeting held on 23 March 2023
Confidential attachment: 1. Interim KPI Progress Report by CEO
Additional information: Nil

SUMMARY

This report makes recommendation to Council from the Chief Executive Officer (CEO) Performance Review Committee in relation to the progress of performance monitoring undertaken by the committee.

This report recommends that Council:

- 1. Receive the minutes of the Chief Executive Office Performance Review Committee meeting held 23 March 2023, as provided in Attachment 1.**
- 2. Receive the Chief Executive Officer quarterly progress report, for the period ending March 2023, as provided in Confidential Attachment 1.**

BACKGROUND

The purpose of the CEO Performance Review Committee (the Committee) is to coordinate and undertake the performance review of the CEO on behalf of Council, and report findings and recommendations to Council for consideration in accordance with the *Local Government Act 1995*.

This committee does not have any decision-making authority and therefore may only make recommendations to Council for consideration. The committee is to report to Council and provide appropriate advice and recommendations on matters relevant to its functions, such as:

- a. Appointment of an independent facilitator to assist the committee to undertake the CEO performance review.
- b. Development and review of Key Performance Indicators (KPI's) to be achieved by the CEO.
- c. Annual review of the CEO's performance in accordance with the CEO's KPI's.
- d. Quarterly informal reviews of the CEO's performance in accordance with the CEO's KPI's.
- e. Review of the CEO's remuneration package.



The CEO KPI's were adopted by Council on 27 July 2022. As part of the interim performance reviews undertaken by the Committee, the CEO is required to prepare a brief report outlining progress against these KPIs in November, and February for discussion with the CEO Performance Review Committee.

FINANCIAL IMPLICATIONS

Nil

LEGAL IMPLICATIONS

The CEO's performance review process is undertaken in accordance with the *Local Government Act 1995* and the City of Fremantle CEO Recruitment, Performance and Termination Standards, as adopted by Council on 15 December 2021.

CONSULTATION

Nil

OFFICER COMMENT

As outlined in the Minutes of the Committee meeting held 23 March 2023 (Attachment 1), Committee received the CEO's interim progress report for the period ending March 2023 and recommended that Council receive this report. No further action was recommended by Committee as a result of the review.

VOTING AND OTHER SPECIAL REQUIREMENTS

Simple majority required

COUNCIL DECISION ITEM C2304-4 **(Officer's recommendation)**

Moved: Mayor Hannah Fitzhardinge

Seconded: Cr Frank Mofflin

Council:

- 1. Receive the minutes of the Chief Executive Office Performance Review Committee meeting held 23 March 2023, as provided in Attachment 1.**
- 2. Receive the Chief Executive Officer interim progress report, for the period ending March 2023, as provided in Confidential Attachment 1.**

Carried: 12/0

Mayor Hannah Fitzhardinge, Cr Frank Mofflin, Cr Ben Lawver,

**Minutes – Ordinary Meeting of Council
26 April 2023**



**Cr Andrew Sullivan, Cr Marija Vujcic, Cr Doug Thompson,
Cr Bryn Jones, Cr Rachel Pemberton, Cr Adin Lang,
Cr Jenny Archibald, Cr Su Groome, Cr Fedele Camarda**



14. Motions of which previous notice has been given

Nil

15. Urgent business

Nil

16. Late items

Nil

17. Confidential business

Nil

18. Closure

The Presiding Member declared the meeting closed at 7.15pm.