

MINUTES.

Electors' General Meeting

22 February 2021

Notice of Meeting

Mayor and Councillors

Here within are the Minutes of the Electors' General Meeting of the City of South Perth Council held Monday 22 February 2021 in the Council Chamber, corner Sandgate Street and South Terrace, South Perth.



MIKE BRADFORD
CHIEF EXECUTIVE OFFICER

2 March 2021

Acknowledgement of Country

Kaartdjinin Nidja Nyungar Whadjuk Boodjar Koora Nidja Djining Noonakoort kaartdijin wangkiny, maam, gnarnk and boordier Nidja Whadjuk kura kura.

We acknowledge and pay our respects to the traditional custodians of this land, the Whadjuk people of the Noongar nation and their Elders past and present.

Our Guiding Values



Disclaimer

The City of South Perth disclaims any liability for any loss arising from any person or body relying on any statement, discussion, recommendation or decision made during this meeting.

Where an application for an approval, a licence or the like is discussed or determined during this meeting, the City warns that neither the applicant, nor any other person or body, should rely upon that discussion or determination until written notice of either an approval and the conditions which relate to it, or the refusal of the application has been issued by the City.

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Electors' General Meeting – Agenda

In accordance with Section 5.27 of the *Local Government Act 1995* and the Local Government (Administration) Regulations 1996, the Order of Business will be as follows:

1. DECLARATION OF OPENING / ANNOUNCEMENT OF VISITORS

The Presiding Member declared the meeting open at 6.01pm and welcomed everyone in attendance.

2. DISCLAIMER

The Presiding Member read aloud the City's Disclaimer.

Councillor André Brender-A-Brandis arrived at the meeting at 6:02pm during Item 3.

3. ANNOUNCEMENTS FROM THE PRESIDING MEMBER

The Presiding Member outlined the format of the Elector's General Meeting.

4. ATTENDANCE

Mayor Greg Milner (Presiding Member)

Councillors

Como Ward

Como Ward

Manning Ward

Manning Ward

Moresby Ward

Moresby Ward

Mill Point Ward

Mill Point Ward

Councillor Carl Celedin

Councillor Glenn Cridland

Councillor André Brender-A-Brandis
(from 6:02pm)

Councillor Blake D'Souza

Councillor Stephen Russell

Councillor Samantha Bradder

Councillor Ken Manolas

Councillor Mary Choy

Officers

Chief Executive Officer

Director Corporate Services

Director Development and Community Services

Director Infrastructure Services

Manager Finance

Manager Governance

Governance Coordinator

Marketing Coordinator

Acting Project Director RAF

Senior Governance Officer

Mr Mike Bradford

Mr Colin Cameron

Ms Vicki Lummer

Mr Mark Taylor

Mr Abrie Lacock

Ms Bernadine Tucker

Ms Toni Fry

Ms Lisa Williams

Ms Rebecca de Boer

Ms Christine Lovett

Guest

Honourable Catherine (Kate) Doust MLC

President of the Legislative Council

Gallery

There were approximately nine members of the public present.

4.1 APOLOGIES

Nil.

4.2 APPROVED LEAVE OF ABSENCE

Nil.

5. CITY OF SOUTH PERTH PRESENTATION OF THE 2019/20 YEAR

The Presiding Member read aloud the following:

“Welcome, we are here this evening to present the 2019/2020 Annual Report, Annual Financial Statements and Auditors Report to you, the Electors.

- *Extraordinary challenges and opportunities have been presented to the City and Council in 2019/2020 year.*
- *We’ve experienced a once in a lifetime pandemic that has impacted us in ways that we could have never imagined. Despite this, the City has celebrated a number of very significant achievements.*
- *This Electors’ General Meeting would ordinarily have been held in December last year but due to COVID-19 restrictions, the City rescheduled the meeting to 8 February to ensure the safety of our community. We were then forced to postpone it again following the State Government’s most recent lockdown of metropolitan Perth, Peel and the South-West region, but we are nothing if not adaptable, and here we all are this evening.*
- *The 2019/20 Annual Report captures the opportunities, challenges and achievements of the last financial year.*
- *The report details the very diverse range of services, community programs, cultural events, infrastructure works and major projects that the City has delivered across the year.*

The theme of the 2019/20 Annual Report is ‘supporting our community’ to reflect the City’s responsibility and commitment to maintain its ongoing community services and functions during the COVID-19 pandemic, in addition to developing new projects to meet our vision of a city of active places and beautiful spaces.

Responding to the pandemic

- *While this Annual Report reflects on the City and Council’s response to the pandemic, it acknowledges and pays tribute to the magnificent response from the community during the COVID-19 crisis. Without going into details I have been very proud to be a member of this Council and this community during the Covid-19 Pandemic, it has been magnificent community response from everyone.*
- *I would also like to welcome the Honourable Kate Doust, thank you for joining us this evening, it is a pleasure to see you.*

- *Council and the City's administration have worked together to deploy a range of measures to assist the community through the crisis, and to put in place programs designed to aid economic recovery.*
- *In April 2020, Council endorsed the City's Community Response and Relief Package. This comprehensive and targeted package followed on from a range of initiatives that had already been rolled out by the City to assist residents, businesses and community groups. The package had a particular focus on the needs of the most vulnerable and at-risk members of our community.*
- *The City also launched its 'Buy Local, Shop Local' campaign, designed to support local business and local jobs. The campaign, which marked the first initiative of the City's new Economic Development focus, helped to create awareness and stimulate the lifeblood of our local economy which is of course local business.*

Connect South (Stage one) complete and Mindeerup opened

- *The City's Connect South project was realised towards the end of 2019.*
- *Prominently positioned on South Perth's Foreshore at Mends Street Jetty, the newly developed area includes a pedestrian-friendly piazza named 'Mindeerup', eye-catching animal-themed canopies, striking public artworks, as well as lighting for visitors to enjoy the public open space into the evening.*
- *The completion of Stage One has achieved Council's goal of increasing the amount of social and economic activity in this very beautiful, very unique and very iconic part of Western Australia.*
- *The project has received numerous awards and recognition at a state, national and international level and is a credit to everyone involved.*

Strategic planning projects

- *Our City is growing. More and more people want to live here, and I can understand why. We are blessed with beautiful green open spaces, gorgeous stretches of foreshore and fabulous amenities. Ensuring that we responsibly plan for future population growth is a key responsibility of Council.*
- *During the 2019/20 year we progressed a number of important plans and strategies in this regard.*
- *In December 2019, Elected Members endorsed the South Perth Activity Centre Plan (ACP) and associated scheme amendment, and referred the documents to the Western Australian Planning Commission (WAPC) for approval and recommendation to the Minister for Planning.*
- *Endorsing the ACP was one of the first major decisions of our newly elected Council. This very important strategic planning document has been years in the making, with significant community engagement undertaken to ensure it meets the expectations of all stakeholders including the local residents of the South Perth Peninsula. It is intended to provide both clarity and certainty for planning matters within the South Perth Activity Centre.*

- *Extensive stakeholder engagement informed a review of the Canning Bridge Activity Centre Plan, a guide for development around the Canning Bridge Train Station. The updated document was adopted by Council in February 2020 and forwarded to the WAPC for final determination.*
- *During the year Council also considered the Draft Local Planning Strategy. Elected Members decided that a further review was needed. Following a series of workshops, further modifications to the draft Strategy were proposed to reflect key concerns of our community. Council subsequently considered and endorsed the amended document at the July 2020 Council meeting.*

Looking to the future

- *Whilst it is timely to reflect on the challenges of 2020, this evening is also an opportunity to look to the future.*
- *A major review of the City's Strategic Community Plan, the document that guides the City over a 10 year period, is being undertaken now to assist Council to understand what matters most to our community, to prioritise resources and guide the way we plan for the future and deliver essential services.*
- *As part of the review the City is running a range of stakeholder and community engagement activities over the course of this month so we can hear from as many members of our community as possible. I encourage everyone to tell us what you see as priorities for the City for the next 10 years. You can do this by completing a simple survey on the Your Say South Perth website. Alternatively, hard copy surveys are available at the City's libraries and the Civic Centre.*
- *As a Council, we will shortly be considering a number of important projects, most notably the proposed Recreation and Aquatic Facility (RAF), a regional health, fitness and recreation facility to be located at Collier Park Golf Course in Como.*
- *\$20 million in Federal Government funding has already been secured for the project and Council have approved a financial commitment of \$20 million to match this.*
- *The City is seeking the additional funding required for the \$80 million project through other project partners, to progress the RAF to the design phase.*
- *The City is carrying out further due diligence, engaging suitable independent and relevant industry and financial experts with respect to financial modelling, key operating assumptions, operating cashflows and usage projections, which will be reported back to Council.*
- *At the upcoming February Council Meeting we will be considering whether to proceed with implementing the RAF Business Plan.*

Partnerships

- *All of this work is very important and aimed at serving our community but very little of our work is done in isolation. Shared decision making and effective working partnerships with federal and state government, other local governments, non-government organisations, business, and perhaps most importantly our community,*

are critical to ongoing success. Projects like the RAF and Connect South demonstrate this. We will continue this collaborative approach to work in 2021.

- *It has been a privilege to work in collaboration with my fellow Councillors and the City's administration as we strive to achieve our vision of a city of active places and beautiful spaces.*
- *It is an honour to serve as your Council. We look forward to working with our entire community to continue to deliver great outcomes for this wonderful City.”*

6. PRESENTATION OF THE ANNUAL REPORT, ANNUAL FINANCIAL STATEMENTS AND AUDITORS REPORT OF THE YEAR ENDED 30 JUNE 2020

Mr Colin Cameron, the Director Corporate Services provided an overview of the Annual Report, Annual Financial Statements and the Auditor's Report for the year ended 30 June 2020 and read aloud the following:

"The financial statements were presented to Council on 15 December 2020, previously the financial statements together with the annual report would have gone to the annual Electors General meeting in December however there were some retrospective financial management regulation changes and they were only gazetted on 6 November 2020.

The auditor general was only able to finalise auditing of the financial statements on 3 December 2020.

Once again the WA auditor general has offered an unqualified opinion which is on page 4 and 5. In terms of the financials I won't go into a lot of the details, I will say that Covid-19 as the Mayor has indicated created a lot of uncertainty, particularly in the last 3 months of the year.

I will just reference a couple things in relation to the income statement which is on page 6. Every year there seems to be a state government agency that impacts on our financial statements, and this year the state library decided to gift their books which were already in our libraries to the City, and what that meant is there were two accrual accounting entries, non-cash, that were not budgeted for because we were not aware that they were going to do that.

In the income statement it includes an unbudgeted revenue item of \$423,000 and a subsequent expenditure item of \$423,000.

If you were to exclude that revenue the City was able to surpass its revenue budget by approximately \$280,000, so despite COVID that was a good outcome.

In relation to the expenditure if you exclude those gifted books, the actual was \$311,000 under budget, once again given the additional things we had to do for COVID.

Overall \$591,000 improvement on net operating, which is a good result.

There are a range of detailed issues that have been reported throughout the year.

Further, I just want to add a bit of innovation, these financial statements are the first that were produced out of publisher, so all the notes are in the financial statements, I believe that to be a first across Australia.

I'd just like to thank the finance team, and Abrie sitting here as well, for both these two reports the financial reports, the financial statements, there is many people involved, in Assets, IT, Marketing, Human Resources just to name a few, in fact there is almost everybody involved in producing these two reports in some way or another, so I would like to thank those."

The Presiding Member called for questions relating to the Annual Report, Annual Financial Statements and Auditor's Report for the year ended 30 June 2020.

As no questions were raised, the Presiding Member called for a mover and seconder to accept the 2019/20 Annual Report, Annual Financial Statements and Auditor's Report for the year ended 30 June 2020.

DECISION

Moved: Mr Chris McMullen of Elderfield Road, Waterford

Seconded: Mr Warwick Boardman of Unwin Crescent, Salter Point

That the Annual Report for the City of South Perth for the year 2019/20, the 2019/20 Annual Financial Statements and the 2019/20 Auditor's Report, be accepted.

CARRIED

7. GENERAL BUSINESS

The Presiding Member invited questions and statements from the Public Gallery.

7.1 MR JULIUS SOLOMONS

The following was read out by Mr Julius Solomons of South Perth at the Electors' General Meeting held 22 February 2021.

Mr Solomons:

I talk to you tonight on behalf of the South Perth Action Group, Vicky Redden puts in her apologies, she is not here, she is away on leave.

We as a group are very concerned on the two major issues that we are going to handle this year, the two we talk about is:

1. The RAF; and
2. The revenue for our Council for the next year.

We want to contribute constructively and participate constructively.

If I start with the RAF, our first problem there is that they want the output but we haven't got the input, very hard to make a considered decision on the various issues when we don't know the facts.

I'll talk to some of the facts and maybe we can get the answers later.

We want to spend \$80m on a structure down at Collier Golf Course, where is the costing for the \$80m? We have not seen it yet. Once we have built it, that's fine.

Where is the operating budget for the first 3-5 years? We haven't seen it.

We were apparently going to get the documents last week, this week, the next week.

We can't participate and give constructive input unless we've got those sort of facts.

We are told that the Federal Government are going to give us \$20m, we are told that the State Government is going to give us \$20m, it's not what we've heard in consultation with our community, we've heard

that some of those institutions maybe are not coming forward with the money, where do we go from there?

We haven't got the money to build it, we haven't got the money input that we need for the capital and we don't know how much it is going to cost us to run.

Now surely we should have that information before we actually have to come to conclusions.

We as a group believe we are trying to push this whole thing too quickly with too little accurate information.

Curtin University, and I've been there, I watch my grandson play hockey there, they are supposed to be coming to the party with capital but they are laying off hundreds of people, they've got no money. It's part of our fund, it's part of our capital coming in, it's not going to come in, what do we do next, we've got no money, who is going to suffer? I hope not the rate payers of South Perth, on operating expenses or capital budget.

Where can we get the facts? Are Curtin coming to the party with the money that we've spoken about? Is the State Government coming to the table with \$20m?

Just show me a letter. You can ask one of the officers, just give us a letter, "here's \$20m".

What happens if we exceed it, who pays, does it go to the rate payers, what happens when it runs at a loss?

George Burnett Leisure Centre - \$200,000 down the tube.

We are heading for a problem I think, we are not saying it is, and were not saying no RAF, we want that, if it's good for the community, we want anything that is good for the community, but we need to do the exercise correctly and we don't believe we have got the true facts to do that.

Income revenue this year is going to drop substantially. Council took a decision during the year, last year I think, to change the parking arrangements. You can now park on South Perth Esplanade for free. No income, dramatically dropped income, maybe as much as half a million dollars. Our surplus that we've got at the moment could be gone quite quickly on those two issues.

We need to get written communication and confirmation on a number of these financial issues, we believe the decision on the RAF should be delayed for another month to be done properly and to give us all a chance to get the facts.

That's all I've got to say Mr Mayor, thank you.

Mayor Milner:

Thank you Mr Solomons. As it happens I can address some of the issues you've raised in your presentation there, and its relatively new information, it is actually in the Agenda for tomorrow night's Ordinary Council Meeting.

I should be clear, the State Government has not made any commitment to the RAF at this time, in fact the motion that we are voting on tomorrow night, the Business Plan, I will read from the Agenda and this is on page 100 of the Agenda for tomorrow night:

In addition, the Premier's office has clearly advised that the State Government expects the Council to approve the Business Plan before it gives further consideration to the project. The Premier's office has recommended the City organise a follow up meeting in February as soon as the Business Plan is approved.

I can bring you up to speed on that item in particular.

You mentioned Curtin University, also on the same Agenda, once again, page 100, and this is very recent news as well:

The City has received a letter from Curtin University detailing their capital contribution to the project. This details a contribution of \$2-3 million in capital funding together with the potential for ongoing operational support. Council should note that the Operational Feasibility Report assumed no rent in return for a larger capital contribution. Operational assumptions will be modified accordingly as the project progresses.

New information is coming to light all the time, but that is hot off the press in the Agenda for tomorrow night.

Thank you for your presentation, its greatly appreciated.

7.2 MS CECILIA BROOKE

The following was read out by Ms Cecilia Brooke of South Perth at the Electors' General Meeting held 22 February 2021.

Ms Brooke:

City of South Perth Residents Association (COSPRAs) welcomes our new CEO Mr Mike Bradford, we appreciate that he made the time to meet with representatives from COSPRA last week, and listened carefully as we explained our role in the community.

We were pleased that he indicated that he was keen to maintain the positive working relationship that currently exists between the City and COSPRA.

I would like to thank the City's former CEO, Mr Geoff Glass. Geoff joined the City just over 5 years ago and introduced a fresh new feel to the City.

COSPRA enjoyed engaging with Geoff as he was always open to our input and ideas, we particularly valued his encouragement and support in the way the City staff interact with locals like ours.

This is just one part of "the listening" that I spoke about at the Electors Meeting last year.

Well what a year we've had, and I think you'll all agree with that. 2020/21 started in a very different place to where we find ourselves today. We entered the year with a strong challenge to the City's budget.

We thank the Councillors who questioned any continued increases in our rates and financial performance over the past year, shows that Councillors, you have made the right call.

In early 21, the City approved its Reconciliation Action Plan. COSPRA is very pleased with the result as we took a very brave stand in October 2019 to say that the draft plan did not meet community expectations, nor did it celebrate the achievements of the areas traditional custodians; the Wadjuk people.

The City listened after a long debate, resulting in a 5:4 vote count. The City now has a better plan, and we hope to see a growing mutual respect for leaders past and present, cultures, ancestors, and hopes for the future.

Then the world went mad. The City of South Perth should be congratulated for continuing as much of its business as usual, as possible, while the world battled COVID-19.

I think the City even managed to keep adequate toilet paper stocks in our public conveniences, so well done.

We really valued the Zoom versions of Council meetings, and maybe this service could be continued in some form now that you are back in the office, I guess we can all take some pleasure on dropping in on your meetings from the comfort of our lounge chairs.

A large number of people working from home showed up in our public spaces, which became super busy, especially on our southern and northern foreshores. I have even heard reports of people participating in team video meetings from the picnic tables at Waterford, with the beautiful Canning River in the background. That certainly beats a day in the office.

The City kept its residents informed of the new COVID Safe expectations while managing its own work environment so that its staff remained safe.

The City also rearranged staff, rosters and starts to ensure services were maintained and so that many small business' still had the opportunity to earn money, without this or government spending our economy would certainly be in a much worse place than it is now.

I've heard COVID hit very close to the City as very early on in the pandemic one of your own staff and a family member, both residents of the City, were infected by the virus. At that time there were only 61 people in Australia with the disease, so the City was breaking new ground, fortunately both have since made a full recovery.

Councillors, 2021/22 will be an important year for the City, it's another year of implementation. Many of you campaigned on containing rates and the City's financial health. While we now understand that may be there was a little electoral licence in describing the City's financial state, financial health remains important even while the current state is good. We will soon begin the briefings and preparation for the 2021/22 budget and I trust that your election undertakings will continue to guide you.

With the budget in mind COSPRA is extremely concerned about the finances surrounding the biggest project this City has ever considered. You all know that I am talking about the Recreation Aquatic Facility.

We note that the City reports spending an approximate \$100,000 since it received letter from Kate Doust, MLC, the president of the Legislative Council, informing the City it was unlikely that the state government would be available to make this project, and then there was also a letter from the Honourable Mick Murray, MLA Minister for Sport and Recreation on 5 October, informing the City that it was unlikely that the state government funds would be available for the Recreation Aquatic Facility.

We are concerned that the City will continue to spend more money on a project that may not even come to fruition.

Tomorrow night you will be voting on the biggest project undertaken ever by the City, a project that spends the equivalent of almost three years of rates. You must make that decision wisely. There is no room for emotion or populist decision, making a final check on the RAF project rests with you all. Your decision needs to be what is in the best interest of the rate payers, residents and residents of the City, and based on sound information and factual advice, particularly in respect to the finances.

In view of Mr Mark Taylors comments at last week's Agenda Briefing meeting, we understand that the financial report from Deloitte and Warren Green Consulting has been received by the City. We are concerned the Mayor and Councillors won't have the opportunity to read and digest the figures in this very important document before the vote tomorrow night at the Ordinary Council Meeting. In fact Mayor and Councillors, I have been left speechless tonight as I have been told by a couple of councillors that they will not be receiving that information tonight which they were expecting to, from Deloitte and Warren Green Consulting. This is so disappointing, I won't say anymore.

COSPRA is also very disappointed with the City's method of consultation on the project, it ran as more of a promotional campaign rather than a presentation of all the relevant facts, to enable rate payers to provide an informed submission on the project.

Finally, elections again in October, it won't take long to come, for Councillors that plan to seek re-election – good luck, though we trust the electors will be challenged to select Councillors from a long list of quality candidates, so stay on your toes.

Mayor Milner:

Thank you Ms Brooke, and we do appreciate that presentation.

Are there any more statements or questions from Gallery this evening?

7.3 MR DANIEL ARNDT

The following was read out by Mr Daniel Arndt of Como at the Electors' General Meeting held 22 February 2021.

Mr Arndt:

I am a long term resident of South Perth, I was actually born at South Perth Hospital, I attended Como Primary School, I went to Wesley College, I was an active member of the Como Swimming Club and participated in state competitions on behalf of the club, I am a qualified Urban and Regional Planner, I have worked in Local Government for over 35 years, my current position is the Director of Planning and Development at the City of Cockburn, I was the project sponsor for the Cockburn ARC and I was responsible for the planning and development and implementation of the Cockburn ARC. So I feel I am able to speak on this topic with a fair degree of knowledge about how you actually proceed with a major sporting and recreation facility.

I have gone through in detail in terms of the Business Case, and I'm actually astounded at the lack of information that's contained within that Business Case.

The City of Cockburn when it undertook its \$109m facility out at Cockburn ARC, we had it financially tested three times before we even considered putting together a business case and lodging that before Council.

In that detailed Business Case we included details of all the funding sources that we were able to actually secure, we even had financial commitments from Curtin University, in terms of the project, they provided those in writing, not once, but twice.

When push came to shove in terms of the actual project, they reneged in terms of theirs, and they provided what they called support in kind, so I would take a dim view in terms of the commitments of Curtin unless you have some sort of cheque in your back pocket.

In respect to the State Government, we went through a detailed process, and we actually made sure we had the State Government funding secured before we actually put the Business Case up to Council. Not only that but in the case of South Perth, as the previous speaker indicated, we actually had two letters from the State Government clearly indicating that they don't have the money.

Now I can tell you now, certainly the facility that we had at Cockburn, we did not get \$20m from the Government, so it is very unrealistic to think that this Council is going to actually receive \$20m from the State Government without some sort of formal commitment in writing.

So what I would ask Council in terms of my question, is how can it proceed with committing to a Business Case to construct an \$81m facility when over 50% of that funding is still unsourced, and I mean unsourced as in you do not have any formal commitments from any other agencies or organisations to provide that money, that's over 50% of your project, and you're putting together a Business Case saying what justifies to actually put forward and go forward with an integrated facility out there.

So the question I also ask is how is Council able to commit to that Business Case being no increase in rates to cover the construction and the ongoing operating costs? How is Council able to actually commit and say that the project will be financially self-sustainable, when there is no other aquatic centre in Western Australia that is financially sustainable?

We barely break even, and we have a growing population and a growing membership base, we are talking about a City that has a stagnant population and is not necessarily going to have a growing base. We are also talking about an organisation, when you look at the business case and the recent correspondence about the City of Perth facility, doesn't mention the City of Perth's facility, and even the City of Perth facility, that they're looking at the WACA – they're questioning the financial feasibility and ongoing operating costs of that facility, so what assurance can the City give that the RAF will be financially self-sustainable when there is no other similar facility that is financially self-sustainable?

The last question I have is why wasn't the RAF Location Assessment Report publicly released?

One of the key aspects when we were actually developing the Cockburn ARC was to ensure it was in location that was visible to a high degree in terms of passing number of traffic and population. We did analysis of a number of facilities both within Western Australia and the Eastern States and all of the common flaws of other recreation facilities that were developed, was when they were located in places that weren't prominent. Now, according to that Business Case they evaluated a number of sites and they came up with a site which is screened behind a lot of vegetation, off the main roads and they say people will come to it, people will not come to it if they don't know where it is, and just by building a facility does not make it a facility people will come to. They need to know and see where it actually is. So I question why the report, because there is no commercial confidence in respect to that report, apart from the questioning about whether or not it was actually a suitable report.

The last comment I will actually make is a comment that was raised by one of the previous speakers, and yes, I did participate in the RAF assessment in terms of the public assessment and the number of questions that I asked those people that were actually out there; all they come back with was "yes, it will be like Cockburn ARC". It won't be like Cockburn ARC, Cockburn ARC is a very unique beast in terms of where its located, particularly in a growth corridor, the number of similar facilities around there, we did detailed analysis based on where Cockburn ARC would go, the nearest swimming pool from there was either Rockingham or Fremantle, so you aren't looking at a similar sort of operation. We were also looking at a joint operation at the Cockburn ARC where we went in with the Fremantle football club, where we knew we had secured funding, this is a facility that doesn't actually have that secured funding, so I seriously questioned the responsibility of going through with adopting a Business Case tomorrow night without that detail, and I was further shocked to actually hear that the

Deloitte's report has only just been released. Now, if your Deloitte's report or your Warren Green report has been released, those documents should actually be available to elected members to digest and understand the details within them, not to actually be released only days before they are required to assess a Business Case on the largest project that the City has ever considered.

Thank you.

Mayor Milner:

Thank you Mr Arndt, and there were a number of questions asked there, I'll give my initial thoughts, but I might hand it over Mr Taylor and Mr Cameron to provide some finer detail.

One of the questions you asked is how can we commit to a Business Plan in circumstances where there is no commitment from say the State Government and that's as I understand it, the purpose of the Business Plan that council is being asked to consider at tomorrow night's Ordinary Council Meeting, is I think, and the officers will correct me if I've got this wrong, a necessary pre requisite before the State Government will consider any potential commitment on the RAF. Once again, I am drawing from page 100 of the Agenda for tomorrow night:

In addition, the Premier's office has clearly advised that the State Government expects the Council to approve the Business Plan before it gives further consideration to the project. The Premier's office has recommended the City organise a follow up meeting in February as soon as the Business Plan is approved.

So as I understand it, and again, I'm sure the officers will correct me if I've got this wrong, that's a necessary step before the State Government will consider this proposal.

I see a hand from Ms Brooke, I will finish off and give Mr Taylor and Mr Cameron an opportunity to comment but then I will throw to you Ms Brooke.

I am aware that the commitment to the Business Plan, depending on what Council decides tomorrow night, doesn't by itself bind the City to further action on this project. The relevant section from the Agenda reads:

Approval of the Business Plan does not bind Council to any future action. The RAF will only proceed when Council resolves to approve the final RAF project budget and scope.

If Council resolves not to approve the Business Plan, the City will be unable to progress the project, thus relinquishing the \$20m Federal Government grant and incurring the significant reputational damage this would bring.

I believe there are a number of steps in this project and I believe that the concerns about financial viability and ongoing sustainability of the project are certainly very valid considerations and I'm sure that is front of mind for the elected members as well.

But let me give Mr Taylor and Mr Cameron an opportunity to say a few words and perhaps they can fill in the details that I may have missed.

Mr Colin Cameron (DCS): Thank you Mr Mayor, I think you picked up on it.

One of the things that struck me was the interchange between a Business Case and a Business Plan, and they are very different things.

A Business Plan is in accordance with section 3.59 of the *Local Government Act 1995* (Act), and that relates to a major land transaction, and is a requirement for Council to proceed. Council may proceed, if tomorrow night it approves the Business Plan.

The project goes back to June 2017 when Council put this on the Strategic Community Plan and then followed through with November recently, where the Council considered a very detailed Business Case, which is different, and that included the Project Definition Plan and Operational Feasibility. Now it was mentioned quite a lot about the Cockburn ARC, this is a very different proposal to the Cockburn ARC, it's got 27 golf holes, 18 mini golf holes, and 56 driving range amongst a whole range of other things.

It is also different in the fact that the City will not be operating it, so it's a very different model, but there is a detailed Business Case which Council considered in November. At that meeting Council also asked to have a second/third check of the information that was presented in November, which is the information being prepared that Mr Taylor will respond to.

The Business Plan is not the Business Case. The Business Case was considered in November, the Business Plan is simply the Local Government requirement, in terms of 'a major land transaction', and from that Council, through this iterative process, with many more steps for Council to proceed including approving funds.

I'll hand over now to Mr Taylor now in terms of the other direct questions.

Mr Mark Taylor (DIS): Thank you Mr Mayor, I'll respond to a question also raised by Ms Brooke, thank you Mr Arndt for your questions tonight.

In respect to the Warren Green/Deloitte Report, it was always going to be an issue getting it to Council before this meeting, the report was always going to be available late February, so the aim was to have a briefing of Council following this meeting tonight and as you are aware, Deloitte's have advised that they weren't comfortable in doing this until the final report was completed. However they did release an email to the Council on Friday, which we forwarded to Councillors, which discussed the fundamentals of the Business Case and that they were sound and that they were looking forward to releasing the report and having a briefing with Council, which we will aim to have next week.

Ms Brooke: We have been discussing the RAF now for a couple of years, I cannot see the urgency in putting that pressure on yourself and the Councillors, with finding this information out and having to vote tomorrow night. I think it's totally unrealistic and I think that tomorrow night the meeting should be delayed and the vote should be

carried over for another month or two, so that everyone can digest the material, that is relevant to the City and its rate payers.

- Mr Colin Cameron (DCS):** If I could through the chair; I suppose what I was trying to describe is the difference between the Business Case and the Business Plan.
- The Business Case was considered by Council in November, that is the work that Deloitte are reconsidering, at a future point in time when Council receive that, they can consider that in context to the Business Case which was the Project Definition Plan and Operating Feasibility.
- Tomorrow night Council are considering a Business Plan under the Act, and all that is saying is yes, the Council is free if it chooses to adopt it, to proceed forward with this iterative process.
- It may in the future decide not to proceed, it may decide to proceed, but until such time as it approves that Business Plan it would not be in a position to continue the project.
- That's the information that Council are considering. Deloitte's are not providing information in relation to the Business Plan, they are considering the information that was in the Business Case in November; the Project Definition Plan and Operational Feasibility.
- They are very different pieces of work.
- Mayor Milner:** Thank you Mr Cameron. Mr Downing I believe.

7.4 MR STUART DOWNING

The following was read out by Mr Stuart Downing of Manning at the Electors' General Meeting held 22 February 2021.

- Mr Downing:** Like Daniel, I am a long term resident of the City of South Perth, I've been in Local Government a long time as well.
- Congratulations on picking Warren Green and Deloitte's; fantastic consultants. We used Warren Green at Cockburn; fantastic. They did a great report, Council were very happy with them as a consulting firm. Deloitte's; in fact we used KPMG, but they are very good, very detailed and so well done.
- I'd just like to take a moment to ask a question about the, I'm not too sure which one you released; the Business Case or the Business Plan, I'm confused now. However, the financial information in the document that was released, I think amounted to about a third of a page, is Council committed to releasing the Deloitte's and the Warren Green report so that the community can actually have confidence in the financial assessment made by the Council and the officers, given that it is a sizable project, I think it's the biggest that the City of South Perth is committing to, and certainly we would like to have look at those documents. I think the Business Plan or was it the Business Case, again I'm confused, certainly didn't have sufficient financial information for members of the public to look at and compare with other councils or ask intelligent questions, especially when you are combining the golf course, the profits from the golf course, the losses from the George

Burnett Park and I'm not too sure what the proposed or the surplus or the deficits are going to be with the RAF facility, but certainly, we as rate payers are concerned.

I'm somewhat agnostic either way, it's interesting to hear Daniel's comments about the swimming pool complex at Cockburn, we did the analysis and we were miles away from any other swimming pool complex. South Perth has 5, maybe 6 if the WACA gets built all within about 5km.

Certainly the percentage of swimming pools within the South Perth area is quite high and certainly those people who would go to a swimming pool complex maybe won't go because they have already got a swimming pool in their backyard.

I'm more interested in seeing the financial information, I'm sure the rate payers would like to see the financial assessment done by Deloitte and from Warren Green; they are both world class consultants, and certainly if the comments made just previously, saying that they are supportive of the financial information that's been built as a part of the model, I see no reason why rate payers can't see those documents and have the same comfort that Council has if we were to proceed with this project.

I will also raise a further point, and I was meant to raise when Colin Cameron was speaking about the Annual Financial Report. I note that the Auditor General while giving a clean bill of health to the financials, also made a comment about one of the financial ratios, there was a significant issue that she raised that you are running an operating deficit, certainly she was concerned. She raised it as a significant matter and I'm sure that Colin is going to write to the Minister as required under the Local Government Act explaining how Council is going to address that as an issue, certainly I would like to see that letter go on the website, how Council is going to address that.

We unfortunately got something similar at Cockburn for assets sustainability ratio. We had a long meeting about how we were addressing that issue, and we also had to write to the Minister explaining how we are going to make that benchmark over the next few years, as a growth Council obviously we are building both new and replacing old assets and certainly we have an issue of how much we allocate of the capital to renewing assets which is part of that ratio. I'd certainly like to see how Council is going to address the operating deficit, and especially, as Daniel said, very few facilities like the RAF will make a surplus and roping in the surpluses of the golf course which the municipal fund already enjoys separately, is if it's going to make a deficit and you only kind of balance the books using the profits from the golf course, I'm not too sure if that's going to address the issues that the rate payers have.

Thank you very much Mr Mayor.

Mayor Milner:

Thank you Mr Downing, once again I was madly scribbling during that presentation, I'll give you my initial thoughts, but then I might turn

over once again to Mr Cameron and Mr Taylor for some more detail there.

I think the first major question being asked there was will the public get to see the Deloitte and the Warren Green Consulting report, I'm in the awkward position that I haven't actually seen it myself yet, so I don't know how much reference there is to confidential material in there, but of course in November 2020 Council passed a motion to have the Chief Executive Officer engage suitable further independent and relevant industry and financial experts to review the Business Case, and the Business Case, I should be clear is the Project Definition Plan and Operational Feasibility Report taken together, that's the Business Case, the Business Plan came out of the Business Case.

Those documents were made available to the public albeit with some sections being redacted, which again is why I'm not totally sure with the report I haven't seen from Deloitte and Warren Green Consulting there might be some redacting there, but that's the motion that Council passed to get to this position.

A review of the financial modelling, the key operating assumptions, the operating cash flows, the usage protections, as further due diligence and then report back to Council.

I think the second question you raised was in relation to the operating surplus ratio which was identified in the Auditor General's report as being below the Department of Local Government Sport and Cultural Industries basic standard of 0.01, for the last three financial years, and that point is well made and it is certainly something that the elected members and the City's administrative team is well aware of.

Mr Cameron, should I turn over to you at this stage?

Mr Colin Cameron (DCS): Yes, the WA Auditor General is required to make notes in relation to that and has every year, and had it needed to do that before, it would've every year prior, other than the year the City sold the Civic Heart. So that is very well known to Councillors and we've been embarking on a program to increase revenue where possible and reduce expenditure. There is also some lines of expenditure that will disappear pretty soon, because we have expensed some rather large capital projects rather than capitalised them.

I expect that if we had set ourselves a goal of 2-4 years to improve the net operating position, and it's a focus that council have, at every budget and every half year budget, so I'm confident that that's the case.

We do write to the Minister every year, even though the Department said to us we don't need to write to the Minister and to write to them, we still wrote to the Minister because that's what the Act says, so that's what we do.

In terms of the relationship with the Business Case and the Business Plan, I encourage you to read the November report to Council, and as the Mayor has quite rightly put, there are a number of redactions, but there is a lot of information on the Project Definition Plan and

Operational Feasibility, including the way in which the model has been struck. This includes that it assumes that the revenue from the current golf course, that it is being used to subsidise this feasibility. However as you are no doubt aware, mini golf is going in, so there will be 56 holes of driving range, a whole other range of climbing walls and other facilities that will be of profit nature, to complete as well. In terms of the swimming pool which is \$20m or so, which is probably a quarter of that project, but when you consider its being built on the existing 27 hole golf course, it's a substantial piece of integrated infrastructure.

Council have been crystal clear with everyone in terms of this proposal that it needs to be feasible and it needs to not impact on rates and so that was the basis on which the analysis has been done for the Business Case in November. Read those pieces of information, there is information in there that is also commercial in confidence, so at some stage if Council proceed to construct this project, there would need to be an operator that would need to bid for the project through a complete tender process.

Unless Mr Taylor wants to add anything further, I think I've answered all those questions in relation to the project, ensuring that its financially viable and that it doesn't impact on rates, is a key assumption that's been tested through the Business Case. That will now have the analysis of the reputable financial appraisal as well as the Business Case. Once again, that is not a requirement of Council to consider the Business Case under the Act.

Mr Mark Taylor (DIS)

Couple of other things that come up tonight was about the timing of the adoption of the Business Plan.

There were two things that were raised in the report

1. The desire by the State Government via the Premier's office to talk to the City, but only after a Business Plan had been adopted by the Council. So hence the recommendation of the officers tomorrow night.
2. In terms of accessing the funding from the Federal Government, it is a requirement of Federal Public Service that the Business Plan be signed off, before the City can sign the funding agreement for the \$20m.

These are the two important matters that require the approval of the Business Plan tomorrow night.

7.5 MR DANIEL ARNDT

The following was read out by Mr Daniel Arndt of Bruce Street Como at the Electors' General Meeting held 22 February 2021.

Mr Arndt:

Mayor and elected members, I did actually ask a question which I put in writing on the 8 February and that was "why wasn't the RAF location assessment publicly released" and I didn't actually receive an answer from yourself or any of the officers on that particular question.

Raising in terms of the further comment, there is actually no time imperative that I can see provided, for the Business Plan to be adopted by the Council tomorrow night. Quite clearly we have a State Government that cannot make any financial commitments because it is in election mode, and there is a caretaker period where they can't make any financial commitments, so best case, the State Government won't be in a position to consider any request from Council until probably April/May. So the reality is there is no imperative saying that it actually has to be adopted at Council's meeting tomorrow night.

There is time for Council to actually defer the consideration of the Business Plan, which will enable it to have a detailed briefing from Deloitte and W Green & Associates on the actual proposal, which will then enable Council to make an informed decision, which I think is the best process that Council should follow is that it should always make an informed decision when it has all the information at hand and has had time to consider that information.

Mayor Milner:

Thank you Mr Arndt, two questions there, nod or shake your head if I haven't summarised it correctly.

The questions about the locational report, "why wasn't that made public"?

And the second question if I was to summarise it is, "why the rush, given the State Government is in caretaker mode prior to the actual election"?

I'll turn to the second first, I'm reluctant to weigh into the pros and cons as to whether a delay is appropriate, because I'm one of the decision makers tomorrow night, and it would probably be inappropriate for me to weigh in at this point, but I might give Mr Cameron and Mr Taylor an opportunity to speak to that. In fact, as of the locational report as well, I'll give Mr Taylor and Mr Cameron an opportunity to comment.

Mr Mark Taylor (DIS):

We actually had prepared answers to your questions and I have them in front of me.

In respect to the location assessment report:

The site was selected as the preferred location after an in depth study identified it as the most appropriate and financially viable location. Details of that, are available in the Minutes of the September 2019 Ordinary Council meeting.

Mr Colin Cameron (DCS): In relation to the Business Plan, I disagree with the assessment that we are reliant on a decision of State Government. We haven't put a formal proposal to State Government yet and they were clear that once we had the Business Plan approved to go back to them, ultimately, yes, it is caretaker mode at the moment, but the issue is not necessarily related to the State funding, its actually related to both the Federal funding and the ability for the City to proceed.

I can understand the Business Case and Business Plan sound similar and certainly we did review the ARC in relation to that, but the Business Plan is very specific and it is clear that if you wish to proceed on a major land transaction that Council would need to approve the Business Plan. The reason why it's come to February is because that was included in the November report, which clearly explained we would go through the community consultation process after state wide advertising, and provide the feedback to Council to consider.

It is certainly appropriate for Council to consider it tomorrow night, they have the information they need to, they can approve it, if they wish to, and then the RAF may proceed. If there is information in the future where they wish for the RAF to not proceed, they can resolve to do so at any time. I'm not suggesting it's a rush, it is in absolute accordance with the timeframe that we set out, in my view there is no new information that would suggest Council don't have sufficient information to consider the Business Plan, as a major land transaction under the Act.

Mr Mark Taylor (DIS): Further to Mr Cameron's response, it is also noted in the report tomorrow night, the City did seek legal advice about the requirement of the Federal Government or the Federal Public Service to have the Business Plan in place before the \$20m grant could be received. The legal advice was that we needed to go through a Business Plan and have it adopted by Council, before we could sign the grant agreement.

Mayor Milner: Thank you Mr Cameron and Mr Taylor. Are there any further questions or statement that anyone would like to raise this evening?

7.6 MR WARRICK BOARDMAN

The following was read out by Mr Warrick Boardman of Salter Point at the Electors' General Meeting held 22 February 2021.

Mr Boardman: There was a time when the Council employed a Travel Smart Officer and they were a one stop shop for anything to do with bikes and pedestrians, and community, education and that sort of thing.

Now we've got the engineers doing their bit, we've got the Community Development people doing their bit, anybody interested in travel smart has to approach the planners to perhaps increase the number of cyclist facilities involved in buildings such as the operation centre, which got rid of its bike parking rail, when it had its extension put on. It's just a point that I want to make.

I also noticed that this 'Buy Local, Shop Local' idea; very good, but if there was a Travel Smart Officer maybe they would have tried to include biking to your local shops as well and of course walking.

Mayor Milner: Thank you very much Mr Boardman, and just to clarify, was that a question or more of a statement?

Mr Boardman: More of a statement, thank you.

Mayor Milner: Thank you, just wanted to make sure if it was a question that we were going to provide an answer. Thank you.

Is there anyone else who wishes to ask a question or make a statement this evening?

8. CLOSURE

The Presiding Member thanked everyone for their attendance and closed the meeting at 7.08pm.