

# AGENDA.

## Ordinary Council Meeting

14 December 2021

### Notice of Meeting

Mayor and Councillors

The next Ordinary Council Meeting of the City of South Perth Council will be held on Tuesday 14 December 2021 in the the City of South Perth Council Chamber, corner Sandgate Street and South Terrace, South Perth commencing at 6.00pm.



MIKE BRADFORD  
CHIEF EXECUTIVE OFFICER

10 December 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.

# Contents

<b>1.</b>	<b>DECLARATION OF OPENING / ANNOUNCEMENT OF VISITORS</b>	<b>5</b>
<b>2.</b>	<b>DISCLAIMER</b>	<b>5</b>
<b>3.</b>	<b>ANNOUNCEMENTS FROM THE PRESIDING MEMBER</b>	<b>5</b>
<b>4.</b>	<b>ATTENDANCE</b>	<b>5</b>
	<b>4.1 APOLOGIES</b>	<b>5</b>
	<b>4.2 APPROVED LEAVE OF ABSENCE</b>	<b>5</b>
<b>5.</b>	<b>DECLARATIONS OF INTEREST</b>	<b>5</b>
<b>6.</b>	<b>PUBLIC QUESTION TIME</b>	<b>5</b>
	<b>6.1 RESPONSES TO PREVIOUS QUESTIONS TAKEN ON NOTICE</b>	<b>5</b>
	<b>6.2 PUBLIC QUESTION TIME: 14 DECEMBER 2021</b>	<b>5</b>
<b>7.</b>	<b>CONFIRMATION OF MINUTES AND TABLING OF NOTES OF BRIEFINGS</b>	<b>5</b>
	<b>7.1 MINUTES</b>	<b>5</b>
	7.1.1 Ordinary Council Meeting Held: 23 November 2021	5
	<b>7.2 CONCEPT BRIEFINGS</b>	<b>6</b>
	7.2.1 Council Agenda Briefing - 7 December 2021	6
	7.2.2 Concept Briefings and Workshops	6
<b>8.</b>	<b>PRESENTATIONS</b>	<b>7</b>
	<b>8.1 PETITIONS</b>	<b>7</b>
	8.1.1 Refusal of the Proposed Relocation of the Wesley South Perth Hockey Club (WASP)	7
	<b>8.2 GIFTS / AWARDS PRESENTED TO COUNCIL</b>	<b>8</b>
	<b>8.3 DEPUTATIONS</b>	<b>8</b>
<b>9.</b>	<b>METHOD OF DEALING WITH AGENDA BUSINESS</b>	<b>8</b>
<b>10.</b>	<b>REPORTS</b>	<b>9</b>
	<b>10.1 STRATEGIC DIRECTION 1: COMMUNITY</b>	<b>9</b>
	10.1.1 Update on the proposed Recreation and Aquatic Facility	9
	10.1.2 Tender 9/2021 Provision of Recreation and Aquatic Facility Project Management - City of South Perth	12
	10.1.3 Tender 10/2021 Provision of Toilet Upgrade Works - City of South Perth	15
	10.1.4 eQuote 04/2021 Provision of Raised Plateau Construction - Intersection of Mill Point Road and Mends Street	20

<b>10.2 STRATEGIC DIRECTION 2: ECONOMY</b>	<b>24</b>
10.2.1 eQuote 03/2021 Provision of Stage 1 Construction - Neil McDougall Lake Water Sensitive Urban Design - Multiple Works Program	24
<b>10.3 STRATEGIC DIRECTION 3: ENVIRONMENT (BUILT AND NATURAL)</b>	<b>30</b>
10.3.1 Local Heritage Inventory Reclassification Request for Memorial Church of St Martin in the Field and Durbridge Hall	30
<b>10.4 STRATEGIC DIRECTION 4: LEADERSHIP</b>	<b>41</b>
10.4.1 Listing of Payments - November 2021	41
10.4.2 Monthly Financial Statements - November 2021	43
10.4.3 Strategic Community Plan	46
10.4.4 City of South Perth Annual Report 2020/21	55
10.4.5 Appointment of Delegate and Deputy Delegate to the Perth Airports Municipalities Group Inc.	57
<b>10.5 MATTERS REFERRED FROM COMMITTEE MEETINGS</b>	<b>59</b>
10.5.1 CEO's Performance Review Process and KPI Setting	59
10.5.2 Terms of Reference - Audit, Risk and Governance Committee	62
10.5.3 Internal Audit Report - Regulation 5 Review	64
10.5.4 City of South Perth Annual Financial Report 2020/21	66
10.5.5 Audit Register - Progress Report	69
<b>11. APPLICATIONS FOR LEAVE OF ABSENCE</b>	<b>72</b>
<b>12. MOTIONS OF WHICH PREVIOUS NOTICE HAS BEEN GIVEN</b>	<b>72</b>
<b>12.1 NOTICE OF MOTION - COUNCILLOR STEPHEN RUSSELL - IMPLEMENTATION OF PUBLICLY ACCESSIBLE 'PARKING CASH-IN-LIEU REGISTER' IN SUPPORT OF THE PARKING RESERVE.</b>	<b>72</b>
<b>12.2 NOTICE OF MOTION - COUNCILLOR ANDRÉ BRENDER-A-BRANDIS - MINI GOLF COLLIER PARK - RETURN ON ASSET INVESTMENT REPORTING</b>	<b>77</b>
<b>12.3 NOTICE OF MOTION - COUNCILLOR ANDRÉ BRENDER-A-BRANDIS - COLLIER PARK VILLAGE - RESIDENTS' LOAN OFFSET RESERVE UNFUNDED SHORTFALL AND LEASEHOLD LIABILITY</b>	<b>82</b>
<b>13. QUESTIONS FROM MEMBERS</b>	<b>89</b>
<b>14. NEW BUSINESS OF AN URGENT NATURE INTRODUCED BY DECISION OF MEETING</b>	<b>89</b>
<b>15. MEETING CLOSED TO THE PUBLIC</b>	<b>90</b>
15.1.1 Councillor Code of Conduct	90
<b>16. CLOSURE</b>	<b>91</b>
<b>APPENDIX</b>	<b>92</b>

# Ordinary Council Meeting - Agenda

## 1. DECLARATION OF OPENING / ANNOUNCEMENT OF VISITORS

## 2. DISCLAIMER

## 3. ANNOUNCEMENTS FROM THE PRESIDING MEMBER

## 4. ATTENDANCE

### 4.1 APOLOGIES

### 4.2 APPROVED LEAVE OF ABSENCE

- Councillor Mary Choy for the period 4 December 2021 to 19 December 2021 inclusive.

## 5. DECLARATIONS OF INTEREST

- Councillor Jennifer Nevard – Impartiality Interest in Item 10.1.2 as ‘my partner has a financial relationship with GHD’.
- CEO Mike Bradford – Financial Interest in Item 10.5.1 as ‘the item relates to my contract of employment’.

## 6. PUBLIC QUESTION TIME

### 6.1 RESPONSES TO PREVIOUS QUESTIONS TAKEN ON NOTICE

Nil.

### 6.2 PUBLIC QUESTION TIME: 14 DECEMBER 2021

## 7. CONFIRMATION OF MINUTES AND TABLING OF NOTES OF BRIEFINGS

### 7.1 MINUTES

#### 7.1.1 Ordinary Council Meeting Held: 23 November 2021

##### Officer Recommendation

That the Minutes of the Ordinary Council Meeting held 23 November 2021 be taken as read and confirmed as a true and correct record.

## 7.2 CONCEPT BRIEFINGS

### 7.2.1 Council Agenda Briefing - 7 December 2021

Officers of the City presented background information and answered questions on Items to be considered at the December Ordinary Council Meeting at the Council Agenda Briefing held 7 December 2021.

#### Attachments

7.2.1 (a): Briefing Notes

### 7.2.2 Concept Briefings and Workshops

Officers of the City/Consultants provided Council with an overview of the following matters at Concept Briefings and Workshops:

Date	Subject	Attendees
30 November 2021	50 Dyson Street Briefing	Mayor Greg Milner and Councillors André Brender-A-Brandis, Blake D'Souza, Ken Manolas, Jennifer Nevard and Stephen Russell.

#### Attachments

Nil.

#### Officer Recommendation

That Council notes the following Council Briefings/Workshops were held:

- 7.2.1 Council Agenda Briefing - 7 December 2021
- 7.2.2 Concept Briefings and Workshops

## 8. PRESENTATIONS

### 8.1 PETITIONS

#### 8.1.1 Refusal of the Proposed Relocation of the Wesley South Perth Hockey Club (WASP)

The following petition containing 480 unverified signatures has been received by the City:-

The text of the petition reads:

*'That council refuse the proposed relocation of the Wesley South Perth Hockey Club (WASP) from Richardson Reserve, South Perth, to Collier Reserve, Como, incorporating a new synthetic hockey turf, grass hockey fields and clubroom facility for the following reasons:*

- 1. We are disappointed that the City has not directly engaged with the local community in relation to the proposal, prior to Council providing 'in principle' support for WASP to proceed to full feasibility study (estimated \$50,000) and endorsing the City to co-finance 50% of that study in the 24 November 2020 Ordinary Council Meeting (OCM). We consider this not in accordance with policy P103 Stakeholder Engagement.*
- 2. Noting point 1, although the Mayor had declared that he is co-patron of WASP and recused himself, five other council members who also declared Impartiality Interest voted in that OCM. As the majority of Council have links to WASP and/or Wesley College and the hockey community, we believe there are concerns relating to apprehended bias. Therefore, even though they were permitted to vote following their declaration, we don't believe this is best practice.*
- 3. Noting point 1, we question the City's decision to entrust the Club to coordinate the entire feasibility study, including the seeking of community and stakeholder comment. We believe stakeholder commenting should be conducted with due diligence, either directly by the City, or if this is not possible, by an impartial independent body.*
- 4. Noting point 3, we believe the Club did not engage the community in a forthcoming way during the 4-week public commenting period (20 August - 19 September 2021). The community was notified with a letter that was mailed in a nondescript envelope with no mention of the Collier Reserve Hockey Proposal, and therefore could have easily been mistaken as junk mail or a mailer soliciting hockey memberships. There were signages at the rear and side of Collier Reserve, but none at the centre, directly in front of the car park where it would be most visible. Please see Attachments (a) and (b).*
- 5. We believe the decision-making process should be inclusive and recommend that the City set up a Hockey Working Group, in the way that Town of Victoria Park has to manage the needs of the Victoria Park Xavier Hockey Club, and make all agendas and meeting notes publicly available.*
- 6. The proposed facility being fenced and enclosed, will become a permanent, unusable space to the public. If approved, the community will*

*be losing public open space to service the interests of one sporting pursuit. This is not aligned with the interests of the community.*

7. *The relocation of the WASP will result in high-level usage of Collier Reserve and Collins Park by the hockey community. This will result in the loss of amenity by the local community because of increased traffic and noise, parking limitations, and restricted access to green space for local children, dog walkers, exercising groups and minor sporting groups who use this green space informally and regularly.*
8. *There are noise-level concerns associated with the Club's intention to allow hockey practice and matches to occur early in the morning, before school throughout the week and including the weekend, right into the night up to 10pm, with the use of eight (8) LED floodlights measuring 18m high. We believe these conditions will be detrimental to the health and wellbeing of local residents.*
9. *Synthetic fields will cause rubber and microplastics to leach into waterways and result in extremely high temperatures during hot days in Summer. These environmental concerns will be detrimental to the local bird habitat and will make the open space surrounding the synthetic field unsafe for children, dogs, and the overall community to use. We would expect an environmental impact assessment report to be done.*
10. *We note that the City has identified the 'compatibility and synergies' between the Recreational Aquatic Facility (RAF) and the proposed hockey facility. Therefore, we believe the RAF precinct is a more amenable site for the location of the proposed synthetic hockey turf and clubroom facility.'*

#### **Officer Recommendation**

That Council receive the petition tabled at the Council meeting held Tuesday 14 December 2021 and the petition be forwarded to the relevant Director for consideration.

#### **8.2 GIFTS / AWARDS PRESENTED TO COUNCIL**

Nil.

#### **8.3 DEPUTATIONS**

*Deputations were heard at the Council Agenda Briefing held 7 December 2021.*

### **9. METHOD OF DEALING WITH AGENDA BUSINESS**



## 10. REPORTS

### 10.1 STRATEGIC DIRECTION 1: COMMUNITY

#### 10.1.1 Update on the proposed Recreation and Aquatic Facility

Location:	Collier Park Golf Course
Ward:	All
Applicant:	City of South Perth
File Ref:	D-21-90600
Meeting Date:	14 December 2021
Author(s):	Rebecca de Boer, Advisor - RAF
Reporting Officer(s):	Mark Taylor, Director Infrastructure Services
Strategic Direction:	Community: A diverse, connected, safe and engaged community
Council Strategy:	1.2 Community Infrastructure

#### Summary

This report provides an update of activities undertaken by the City of South Perth (City) on the Recreation and Aquatic Facility (RAF) since August 2021.

The City has submitted the formal funding proposal to the State Government and is awaiting a response. In the interim, the City is undertaking the necessary due diligence and preparatory work so Council can make future decisions about the RAF project in a timely and well-informed manner.

#### Officer Recommendation

That Council notes the progress report on the Recreation and Aquatic Facility.

#### Background

At its meeting held 24 August 2021, Council resolved as follows:

*That Council:*

- 1. Defers consideration of transferring funds of \$1.02 million from the Community and Facilities Reserve to the Recreation and Aquatic Facility budget (to a total budget of \$1.42 million), to complete Concept and Schematic design for the Recreation and Aquatic Facility until:
  - a. The City submits a formal funding proposal to the State Government for the RAF as soon as practicable.*
  - b. A report is presented to Council by December 2021 on the progress of any funding commitments from the State Government and other parties.**
- 2. Endorses commencing the request for information process for a Naming Rights partner; and*
- 3. Notes the outcome of the request for information process for the Naming Rights partner will be presented to Council for consideration.*

### Comment

#### Formal Funding Proposal

The City submitted the formal funding proposal (also known as the 'Investment Business Case' or Treasury Business Case) to Minister Buti, Minister for Finance; Lands, Sport and Recreation; Citizenship and Multicultural Interests in October 2021. The Investment Business Case consisted of four volumes which provided a comprehensive overview of the project and outlined the economic, social and health benefits of the RAF.

The Minister has acknowledged receipt and referred the proposal to his Department for advice. Discussions with relevant Ministers, members of the State Government and the Department are ongoing.

The August Council report also outlined several actions to be undertaken by the City in the short-term including engagement of a project manager, finding a potential operator for the facility and explore options for naming rights.

#### Naming Rights

The August Council Report highlighted a potential revenue stream for the RAF not previously incorporated into the RAF Business model. Preliminary analysis of naming rights undertaken by the City (and the subject of a confidential briefing to Council) indicates there is considerable financial benefit in securing a long-term appropriate partner for exclusive naming rights for the RAF.

Given the nature of the proposed RAF and the scale and mix of potential facilities and services, naming rights for the RAF is likely to be an attractive proposition to a range of corporate or not for profit entities. Being the 'first' naming rights partner also provides additional value (and potential monetary return) to the process.

The City has commenced work on naming rights for the RAF and it is anticipated that procurement will commence early 2022.

#### Project Manager

The City has a contract in place for RAF project management services. A new procurement process is currently underway to ensure compliance with Procurement Policy.

One of the conditions of the Federal Funding Agreement for the \$20 million grant is appointment of a project manager by 1 March 2022. Completion of this milestone will result in payment of \$7 million to the City (to the Major Facilities Reserve and not drawn down unless approved by Council).

In accordance with the *Local Government Act 1995* and the City's procurement policies, the City has conducted a competitive procurement process for this role. Appointment of the Project Manager will be a decision for Council and is the subject of a separate report to be considered at the December meeting.

#### Appointment of RAF Operator

For a project of this scale, it is industry best practice to appoint the operator around the commencement of schematic design to maximise design and operational efficiencies.

Engagement of the RAF operator is an important part of the project as a capital contribution from the operator will be a condition of the contract. A market sounding exercise undertaken by the City earlier this year indicated a strong willingness by potential operators to make a significant financial contribution to the RAF.

The legal work for the procurement of a potential operator for the RAF is almost complete. The City anticipates that the procurement process for the RAF Operator will commence early 2022.

#### Summary

The Council remains the ultimate decision maker for the RAF project. The City is conducting due diligence so that the Council can be fully informed, and act in a timely manner, when making future decisions about the RAF.

Approval of the outcomes of the procurement processes outlined in this report will be the subject of future decisions by Council.

#### **Consultation**

Nil.

#### **Policy and Legislative Implications**

The procurement process for procurement of the RAF Operator and exclusive naming rights for the RAF will be conducted in accordance with the *Local Government Act 1995*.

The City has sought legal advice from Jackson McDonald Lawyers (City lawyers) and will continue to work closely with them when designing both procurement processes. A Probity Advisor will be appointed to oversee all procurement associated with the RAF.

#### **Financial Implications**

The 2021/22 City budget allocated \$400,000 to the RAF project. There is sufficient budget remaining for the City to complete the procurement processes outlined in this report and other ongoing work associated with the RAF project.

The project management tender is a fixed price and schedule of rates contract which means that any work carried out under that contract is in accordance with existing approvals and budgets and remains dependent on existing and future decisions of Council regarding funding the RAF.

#### **Strategic Implications**

This matter relates to the following Strategic Direction identified within Council's [Strategic Community Plan 2020-2030](#):

Strategic Direction:	Community
Aspiration:	A diverse, connected, safe and engaged community
Outcome:	1.2 Community infrastructure
Strategy:	1.2.3 Plan for and promote the development of recreation and aquatic facilities to service the City of South Perth needs

#### **Attachments**

Nil.

## 10.1.2 Tender 9/2021 Provision of Recreation and Aquatic Facility Project Management - City of South Perth

Location:	Collier Park Golf Course
Ward:	All
Applicant:	City of South Perth
File Reference:	D-21-90602
Meeting Date:	14 December 2021
Author(s):	Jac Scott, Manager Business & Construction
Reporting Officer(s):	Mark Taylor, Director Infrastructure Services
Strategic Direction:	Community: A diverse, connected, safe and engaged community
Council Strategy:	1.2 Community Infrastructure

### Summary

This report considers submissions received from the advertising of Tender 9/2021 for the Provision of Recreation and Aquatic Facility Project Management – City of South Perth.

This report will outline the assessment process used during evaluation of the tenders received and recommend approval of the tender that provides the best value for money and level of service to the City.

### Officer Recommendation

That Council:

1. Accepts the tender submitted by Donald Cant Watts Corke Pty Ltd for the Provision of Recreation and Aquatic Facility Project Management in accordance with Tender 9/2021.
2. Accepts the tender price included in **Confidential Attachment (a)**.
3. Notes that tender price will be included in the Ordinary Council Meeting Minutes.
4. Notes the contract will be progressed on a stage-by-stage basis subject to Council approval for each stage.

### Background

Request for Tender (RFT) 9/2021 for the Provision of Recreation and Aquatic Facility Management – City of South Perth was advertised in The West Australian on Saturday 23 October 2021 and closed at 2pm on Tuesday 16 November 2021.

Tenders were invited as a Lump Sum Contract with a Schedule of Rates for variations.

The contract is for the duration of the project, and will progress on a stage-by-stage basis, with the City retaining full discretion over whether to proceed to subsequent stages.

### Comment

At the close of the tender advertising period six submissions had been received and these are tabled below:

TABLE A – Tender Submissions

Tender Submission
1. Brett David Investments Pty Ltd T/A Successful Project
2. Bridge42 Pty Ltd
3. Core Business Australia Pty Ltd
4. Donald Cant Watts Corke Pty Ltd
5. Engineering Project Management (EPM) Pty Ltd
6. GHD Pty Ltd

The Tenders were reviewed by an Evaluation Panel and assessed according to the qualitative criteria detailed in the RFT, as per Table B below.

TABLE B - Qualitative Criteria

Qualitative Criteria	Weighting %
1. Demonstrated Experience in completing similar projects	30%
2. Skills and Experience of key personnel	30%
3. Respondent's Resources	20%
4. A Demonstrated Understanding of the Required Tasks	20%
<b>Total</b>	<b>100%</b>

Based on the assessment of all submissions received for Tender 9/2021 Provision of Recreation and Aquatic Facility Management – City of South Perth, it is recommended that the tender submission from Donald Cant Watts Corke Pty Ltd be accepted by Council.

The appointment is to be on a lump sum basis, with the initial appointment as *PM Project Support, Project Introduction and Planning* with the option to progress to further phases of the project should the project receive Council approval to proceed.

More detailed information about the assessment process can be found in the Recommendation Report – **Confidential Attachment (a)**.

### Consultation

Public tenders were invited in accordance with the *Local Government Act 1995* (the Act).

### Policy and Legislative Implications

Section 3.57 of the *Local Government Act 1995* - tenders for providing goods or services:

- (1) *A local government is required to invite tenders before it enters into a contract of a prescribed kind under which another person is to supply goods or services.*
- (2) *Regulations may make provision about tenders.*

Regulation 11 of the Local Government (Functions and General) Regulations 1996 - when tenders have to be publicly invited:

- (1) *Tenders are to be publicly invited according to the requirements of this Division before a local government enters into a contract for another person to supply goods or services if the consideration under the contract is, or is expected to be, more, or worth more, than \$250 000 unless subregulation (2) states otherwise.*

The following City Policies also apply:

- Policy P605 - Purchasing and Invoice Approval
- Policy P607 -Tenders and Expressions of Interest

### Financial Implications

Sufficient funds are included in the 2021/2022 budget to progress the current limit of approved works. The funds for future stages will be approved either in the annual budget process or with the Council approval to proceed to the next stage.

### Strategic Implications

This matter relates to the following Strategic Direction identified within Council's [Strategic Community Plan 2020-2030](#):

Strategic Direction: Community  
Aspiration: A diverse, connected, safe and engaged community  
Outcome: 1.2 Community Infrastructure  
Strategy: 1.2.1 Plan for and promote the development of recreation and aquatic facilities to service the City of South Perth's needs

### Attachments

10.1.2 (a): Recommendation Report (*Confidential*)

### 10.1.3 Tender 10/2021 Provision of Toilet Upgrade Works - City of South Perth

Location:	Manning Bowling Club, South Perth Bridge Club and Como Bowling Club
Ward:	Manning Ward, Mill Point Ward and Moresby Ward
Applicant:	Not Applicable
File Reference:	D-21-90603
Meeting Date:	14 December 2021
Author(s):	Shirley King Ching, Building and Assets Coordinator
Reporting Officer(s):	Mark Taylor, Director Infrastructure Services
Strategic Direction:	Community: A diverse, connected, safe and engaged community
Council Strategy:	1.2 Community Infrastructure

#### Summary

This report considers submissions received from the advertising of Tender 10/2021 for the Provision of Toilet Upgrade Works - City of South Perth.

This report will outline the assessment process used during evaluation of the tenders received and recommend approval of the tender that provides the best value for money and level of service to the City.

The report will also provide a recommended funding reallocation for the three proposed projects to enable awarding of the works.

#### Officer Recommendation

That Council:

1. Accepts the tender submitted by AE Hoskins Pty Ltd for the Provision of Toilet Upgrade Works – City of South Perth, in accordance with Tender 10/2021;
2. Accepts the tender price included in **Confidential Attachment (a)**.
3. Notes that tender price will be included in the Ordinary Council Meeting Minutes;
4. Adopts an increase in the budget for the Como Bowling Club New UAT and Toilet Renovation project of \$55,997, funded with \$30,000 club contribution, \$13,433 municipal funds reduction from the Manning Bowling Club Toilet upgrade project, \$21,798 reduction from the Manning Hub Stage 2 budget as result of a \$9,234 reduction in grant funding from the Department of Local Government, Sport and Cultural Industries (DLGSCI);
5. Adopts an increase in the budget for the Manning Bowling Club Toilet upgrade of \$122,350 funded with a \$85,783 grant from the DLGSCI, a \$50,000 club contribution and a resulting reduction in the municipal funds contribution of \$13,433 to be allocated to Como Bowling Club New UAT and Toilet Renovation project; and

6. Adopts an increase in the budget of South Perth Bridge Club New UAT and Toilet Refurbishment budget of \$116,443, funded with \$63,000 grant from the Department of Communities, \$53,000 club contribution and a \$443 reduction in the Manning Hub Stage 2 budget.

**Absolute Majority Required**

### Background

Request for Tender (RFT) 10/2021 for the Provision of Public Toilet Upgrade Works – City of South Perth was advertised in The West Australian on 18 September 2021 and closed at 2:00 pm AWST on 19 October 2021.

Tenders were invited as a Lump Sum Contract.

Toilet upgrade works for the three community recreation facilities (Como Bowling Club, Manning Bowling Club and South Perth Bridge Club) were consolidated into one public tender to achieve economies of scale and more effective work implementation. Toilet specifications were standardised including toilet and lighting fixture, floor and wall finishes selection. A summary of the three proposed projects is detailed below.

#### Como Bowling Club

Como Bowling Club was originally built in 1954 and has had several modifications works since that time. The toilet upgrade works will provide the Como Bowling Club with a new female and male toilet and change-room facilities, including unisex Universal Access Toilet (UAT) with shower that is compliant with Australian Standard AS 1428.1-2009.

#### Manning Bowling Club

Manning Bowling Club was originally built in 1969 with multiple modification works since that time. The toilet upgrade works will refurbish the existing male and female toilet and shower facilities.

#### South Perth Bridge Club

South Perth Bridge Club was originally built in 1983 and had extension works in 1992. The toilet upgrade works will retrofit an AS 1428.1-2009 compliant unisex UAT and increase the number of male toilet cubicles required at the Club.

### Comment

At the close of the tender advertising period two submissions had been received and these are tabled below:

TABLE A – Tender Submissions

Tender Submission
1. AE Hoskins Pty Ltd
2. Geared Construction Pty Ltd

The Tenders were reviewed by an Evaluation Panel and assessed according to the qualitative criteria detailed in the RFT, as per Table B below.



TABLE B - Qualitative Criteria

Qualitative Criteria	Weighting %
1. Demonstrated ability to perform	30%
2. Related experience and resources	30%
3. Availability, suitability, and logic of works program including demonstrated understanding	30%
4. Quality management system	10%
<b>Total</b>	<b>100%</b>

More detailed information about the assessment process can be found in the Recommendation Report – **Confidential Attachment (a)**.

### Consultation

Public tenders were invited in accordance with the *Local Government Act 1995*.

### Policy and Legislative Implications

Section 3.57 of the *Local Government Act 1995* - tenders for providing goods or services:

- (1) *A local government is required to invite tenders before it enters into a contract of a prescribed kind under which another person is to supply goods or services.*
- (2) *Regulations may make provision about tenders.*

Regulation 11 of the Local Government (Functions and General) Regulations 1996 - when tenders have to be publicly invited:

- (1) *Tenders are to be publicly invited according to the requirements of this Division before a local government enters into a contract for another person to supply goods or services if the consideration under the contract is, or is expected to be, more, or worth more, than \$250 000 unless subregulation (2) states otherwise.*

The following City Policies also apply:

- Policy P605 - Purchasing and Invoice Approval
- Policy P607 -Tenders and Expressions of Interest

### Financial Implications

The tendered cost for the planned toilet upgrade works at the three community recreation facilities is outlined in **Confidential Attachment (a)**.

At the time of preparing the 2021/22 Budget there was no certainty regarding club contributions, grant funding and therefore whether any or all of the projects would proceed. It was however a desire of the community and Council to make allowance for these projects against municipal funds.

As a result of the now confirmed club contributions and grant funding, budget review adjustments are required to recognise the increased cost of the projects, club contributions, grant funding and therefore adjustments to the City's contributions.

The works will be partially funded through external grants and contributions from the main tenants as per the table below. This indicates an overall requirement for \$22,241 in additional City sourced budget, recommended to be funded by the surplus from an already completed project.

Project	Project Cost	External Funding	Club Contribution	City Required Contribution	City Original Budgeted Contribution
Como Bowling Club Toilet Upgrade Project	\$423,997	\$122,766 (Department of Local Government, Sport and Cultural Industries)	\$30,000	\$271,231	\$236,000
Manning Bowling Club Toilet Upgrade Project	\$257,350	\$85,783 (Department of Local Government, Sport and Cultural Industries)	\$50,000	\$121,567	\$135,000
South Perth Bridge Club Toilet Upgrade Project	\$196,443	\$63,000 (Department of Communities)	\$53,000	\$80,443	\$80,000
<b>Totals</b>	<b>\$877,790*</b>	<b>\$271,549</b>	<b>\$133,000</b>	<b>\$473,241</b>	<b>\$451,000</b>

\*Note the total price presented in the table above represents the total overall project cost and not just the tender price.

The full explanation of the budget adjustments required is listed in the Officer Recommendation of this report.

### Conclusion

Based on the assessment of all submissions received for Tender 10/2021, Provision of Toilet Upgrade Works – City of South Perth, it is recommended that the tender submission from AE Hoskins Pty Ltd be accepted by Council.

Acceptance of this tender is subject to Council approval of the recommended budget adjustments listed and discussed in the Financial Implications and Officer Recommendation sections of this report.

**Strategic Implications**

This matter relates to the following Strategic Direction identified within Council's [Strategic Community Plan 2020-2030](#):

Strategic Direction: Community  
Aspiration: A diverse, connected, safe and engaged community  
Outcome: 1.2 Community infrastructure  
Strategy: 1.2.2 Plan, develop and facilitate community infrastructure to respond to changing community needs and priorities

**Attachments**

**10.1.3 (a):** RFT 10/2021 Tender Panel Recommendation Report  
*(Confidential)*

### 10.1.4 eQuote 04/2021 Provision of Raised Plateau Construction - Intersection of Mill Point Road and Mends Street

Location:	Intersection of Mends Street and Mill Point Road
Ward:	Mill Point Ward
Applicant:	City of South Perth
File Reference:	D-21-90604
Meeting Date:	14 December 2021
Author(s):	Lewis Wise, Infrastructure Projects Coordinator
Reporting Officer(s):	Mark Taylor, Director Infrastructure Services
Strategic Direction:	Community: A diverse, connected, safe and engaged community
Council Strategy:	1.2 Community Infrastructure

#### Summary

This report considers submissions received from the advertising of eQuote 04/2021 for the Provision of Raised Plateau Construction – Intersection of Mill Point Road and Mends Street.

The report will outline the assessment process used during evaluation of the eQuotes received and recommend approval of the submission(s) that provides the best value for money and level of service to the City.

The project is to be fully funded by Main Roads WA however will require a budget adjustment due to increased costs. A written commitment has not yet been received from Main Roads to confirm they will meet the budget shortfall. Acceptance of the eQuote will be subject to this confirmation being received.

#### Officer Recommendation

That Council:

1. Notes the Main Roads WA commitment to fund the Provision of the construction of a Raised Plateau at the intersection of Mill Point Road and Mends Street;
2. Subject to written commitment by Main Roads WA to provide extra grant funding of \$600,000, accepts the eQuote submitted by WCP Civil Pty Ltd for the Provision of Raised Plateau Construction – Intersection of Mill Point Road and Mends Street in accordance with eQuote 04/2021 for the period of supply up to 30 June 2022 inclusive;
3. Accepts the eQuote price included in **Confidential Attachment (a)**;
4. Notes that the eQuote price will be included in the Ordinary Council Meeting Minutes; and
5. Adopts a \$600,000 increase in the budget for the Mill Point/Mends Street Raised Plateau project.

**Absolute Majority Required**

### Background

The proposed intersection upgrade of Mill Point Road is a WA State first for signalised intersections, as it proposes a raised plateau that will be at-grade with the kerbside.

This intersection will be designed and constructed to the latest design standards, improving accessibility and safety for all road users and the design is in collaboration with Main Roads WA who will fund, assess, and audit the intersection.

To provide this plateau, all four intersection approaches will have a ramp. This will reduce speeds on the approach to the intersection, reducing crashes such as rear end collisions as well as improved gap times for right turning movements. It will also encourage traffic speeds to be lower further along Mill Point Road both east bound and west bound.

Another safety feature of the raised plateau is that it will improve safety for vulnerable road users at all four crossings. Lower speeds reduce the likelihood of both driver error approaching the crossings and also driver reaction times to avoid collisions. Another feature of reduced traffic speed is that if there are vehicle crashes, the severity of impacts are lower and therefore injuries are less severe.

This extract from the World Health Organisation summarises the impacts of reducing speeds and its correlation to reducing crashes:

- *The higher the speed of a vehicle, the shorter the time a driver has to stop and avoid a crash. A car travelling at 50 km/h will typically require 13 metres in which to stop, while a car travelling at 40 km/h will stop in less than 8.5 metres.*
- *An increase in average speed of 1 km/h typically results in a 3% higher risk of a crash involving injury, with a 4-5% increase for crashes that result in fatalities.*
- *Speed also contributes to the severity of the impact when a collision does occur. For car occupants in a crash with an impact speed of 80 km/h, the likelihood of death is 20 times what it would have been at an impact speed of 30 km/h.*

The introduction of this raised plateau will allow the City to commence activating a 40 km/h speed zone throughout the precinct (as proposed in the City of South Perth Activity Centre Plan), as there is a treatment that forces drivers to slow down. Another outcome of this speed reduction is that it will encourage less use of the area by drivers using Mill Point Road as a 'rat run' from outside the City to access the freeway for commuting, as the journey times increase due to the 40 km/h zone.

A request for eQuote 04/2021 for the Provision of Raised Plateau Construction – Intersection of Mill Point Road and Mends Street was released via eQuote on Tuesday, 12 October 2021 and closed at 2pm on Tuesday, 2 November 2021.

The eQuote was invited as a Lump Sum Contract.

The eQuote is for the Provision of Raised Plateau Construction – Intersection of Mill Point Road and Mends Street.

The contract is for the period up to 30 June 2022.

**Comment**

At the close of the eQuote advertising period one submission had been received and is tabled below:

TABLE A – eQuote Submission

eQuote Submission
1. WCP Civil Pty Ltd

The eQuote was reviewed by an Evaluation Panel and assessed according to the qualitative criteria detailed in the Request for eQuote, as per Table B below.

TABLE B - Qualitative Criteria

Qualitative Criteria	Weighting %
1. Company Experience and Past Performance undertaking works in a similar environment	40%
2. Methodology and suitability of works program	40%
3. Company Profile, Resources and skills and experience of key personnel	20%
<b>Total</b>	<b>100%</b>

More detailed information about the assessment process can be found in the Recommendation Report – **Confidential Attachment (a)**.

**Consultation**

eQuotes were invited in accordance with the *Local Government Act 1995*.

**Policy and Legislative Implications**

Section 3.57 of the *Local Government Act 1995* - tenders for providing goods or services:

- (1) *A local government is required to invite tenders before it enters into a contract of a prescribed kind under which another person is to supply goods or services.*
- (2) *Regulations may make provision about tenders.*

Regulation 11 of the Local Government (Functions and General) Regulations 1996 - when tenders have to be publicly invited:

- (1) *Tenders are to be publicly invited according to the requirements of this Division before a local government enters into a contract for another person to supply goods or services if the consideration under the contract is, or is expected to be, more, or worth more, than \$250 000 unless subregulation (2) states otherwise.*
- (2) *Tenders do not have to be publicly invited according to the requirements of this Division if –*

(b) *the supply of the goods or services is to be obtained through the WALGA Preferred Supplier Program.*

The following City Policies also apply:

- Policy P605 - Purchasing and Invoice Approval
- Policy P607 -Tenders and Expressions of Interest

### Financial Implications

The current budget allocated to this project is not sufficient for Council to be able to accept the eQuote. Main Roads WA has committed to fully fund the project, however has not yet provided written confirmation they will fund the additional \$600,000 required.

A budget adjustment to reflect and authorise the increased expenditure is required and is listed in the Officer Recommendation section of this report.

### Conclusion

Based on the assessment of the submission received for eQuote 04/2021 Provision of Raised Plateau Construction – Intersection of Mill Point Road and Mends Street, and a written commitment by Main Roads WA to meet the funding shortfall, it is recommended that the eQuote submission from WCP Civil be accepted by Council.

### Strategic Implications

This matter relates to the following Strategic Direction identified within Council's [Strategic Community Plan 2020-2030](#):

Strategic Direction: Community  
Aspiration: A diverse, connected, safe and engaged community  
Outcome: 1.2 Community Infrastructure  
Strategy: 1.2.1 Plan, develop and facilitate community infrastructure to respond to changing community needs and priorities

### Attachments

10.1.4 (a): Recommendation Report (*Confidential*)

## 10.2 STRATEGIC DIRECTION 2: ECONOMY

### 10.2.1 eQuote 03/2021 Provision of Stage 1 Construction - Neil McDougall Lake Water Sensitive Urban Design - Multiple Works Program

Location:	Neil McDougall Park
Ward:	Como Ward
Applicant:	City of South Perth
File Reference:	D-21-90605
Meeting Date:	14 December 2021
Author(s):	Lewis Wise, Infrastructure Projects Coordinator
Reporting Officer(s):	Mark Taylor, Director Infrastructure Services
Strategic Direction:	Community: A diverse, connected, safe and engaged community
Council Strategy:	1.2 Community Infrastructure

#### Summary

This report considers submissions received from the advertising of eQuote 03/2021 for the Provision of Stage 1 Construction – Neil McDougall Lake Water Sensitive Urban Design – Multiple Works Program.

This report will outline the assessment process used during evaluation of the eQuotes received and recommend approval of the submission that provides the best value for money and level of service to the City.

The report will also outline suggested funding reallocation from the Capital Works Programme for the Neil McDougall Lake Water Sensitive Urban Design project to enable awarding of the works.

#### Officer Recommendation

That Council:

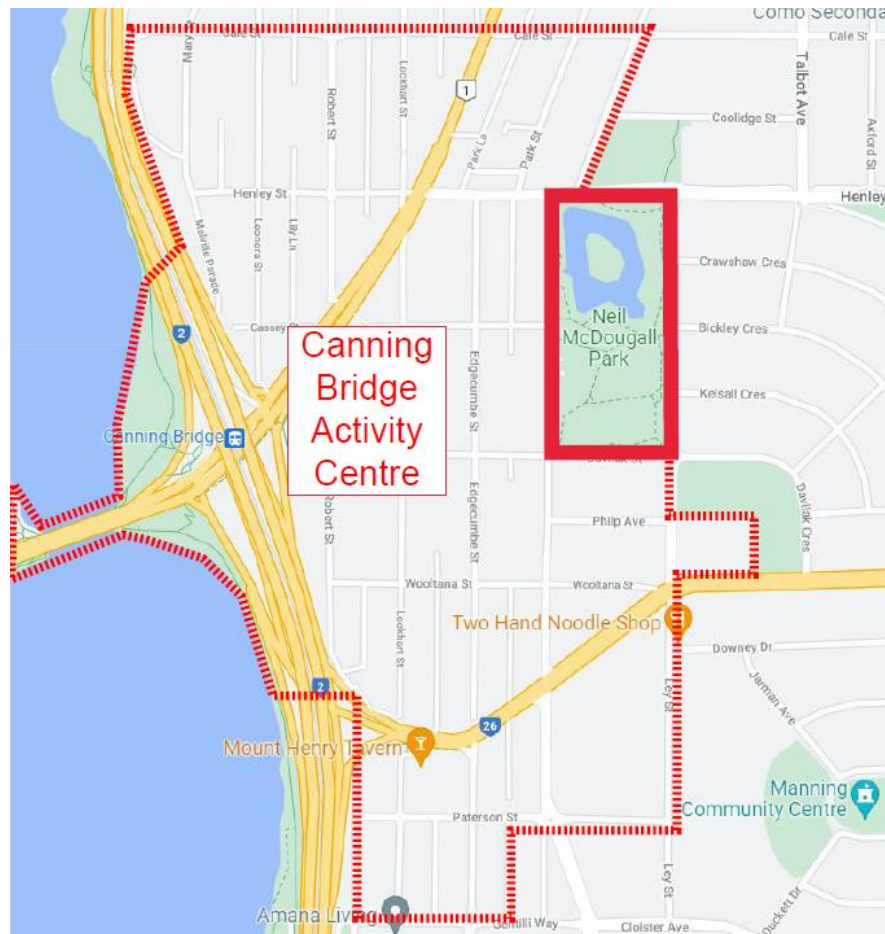
1. Accepts the eQuote submitted by DB Cunningham Pty Ltd trading as Advantesting Civil Engineers for the Provision of Stage 1 Construction – Neil McDougall Lake Water Sensitive Urban Design – Multiple Works Packages in accordance with eQuote 03/2021 for the period of supply up to 30 June 2022 inclusive.
2. Accepts the eQuote price included in **Confidential Attachment (a)**.
3. Notes that eQuote price will be included in the Ordinary Council Meeting Minutes.
4. Adopts an increase of \$350,000 in the Neil McDougall Lake Water Sensitive Urban Design project budget funded from a \$100,000 reduction in the Waterford Triangle – Laneway and Park Upgrade project (grant funded), a \$90,000 reduction in the Mends Street – Fibre Optic Cable project (grant funded), a \$25,000 reduction in South Perth Esplanade – Bike & Pedestrian Upgrade project (grant funded), a \$70,000 reduction in CPGC – Weir Rectification project (municipal funds), a \$40,000 reduction in the Manning Hub Stage 2 project (municipal funds) and a \$25,000 reduction in the Jarman Avenue – Hennington to Downey Street Pathway project (municipal funds).

**Absolute Majority Required**



**Background**

Neil McDougall Park is the primary amenity for the Canning Bridge Activity Centre. Quality amenity is important in activity centres, as it serves as a catalyst for higher quality development that improve the precinct.



Unfortunately, blue-green algae blooms can occur at the lake, which multiplies quickly and dominates the water column. This has led to many native bird deaths.

Like various other wetlands and lakes across the Perth metropolitan area, Neil McDougall Lake also experiences an almost yearly reoccurrence of Lemna (duckweed) mat that covers the lake, unlike blue-green algae, duckweed is generally not harmful to wildlife, however the slimy green growth is perceived as a sign of poor health by residents and is symptomatic of the poor water quality in the lake.



*Deceased Cormorant during an algal bloom at Neil McDougall Lake*



*Duckweed at Neil McDougall Lake*

Neil McDougall Lake acts as an infiltration basin and receives stormwater from four catchments, resulting in excess nutrients and organic loading entering the lake. High level of nutrients promotes algal blooms and low oxygen conditions, which in turn stress aquatic organisms. Other contaminants, such as heavy metals, also enter the lake through the drainage network and together with nutrients accumulate in the sediment. These can be released into the water column and enter the food chain.

This project will treat water exiting the main stormwater drain into a series of new landscaped basins, extracting nutrients before they get into the lake, improving lake circulation and operating with little ongoing maintenance. Over time this will significantly decrease the nutrient levels in the lake and reduce the City's maintenance requirements.

Minor future stages are planned that treat the water from the other drainage outlets. These outlets service a much smaller catchment and have correspondingly lower nutrient outputs.

In early 2021 the City secured funds from the Federal Government's Local Roads and Community Infrastructure (LRCI) program for the construction of Stage 1 of the solution.

A request for eQuote 03/2021 for the Provision of Stage 1 Construction – Neil McDougall Lake Water Sensitive Urban Design – Multiple Works Packages was released via eQuote on Wednesday, 13 October 2021 and closed at 2pm on Thursday, 4 November 2021.

eQuotes were invited as a Lump Sum Contract.

The eQuote is for the Provision of Stage 1 Construction – Neil McDougall Lake Water Sensitive Urban Design – Multiple Works Packages.

The contract is for the period up to 30 June 2022.

### Comment

At the close of the eQuote advertising period two submissions had been received and these are tabled below:

#### TABLE A – eQuote Submissions

eQuote Submission
1. Civcon Civil Project Management Pty Ltd

2. DB Cunningham Pty Ltd trading as Advantearing Civil Engineers
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The eQuotes were reviewed by an Evaluation Panel and assessed according to the qualitative criteria detailed in the RFT, as per Table B below.

**TABLE B - Qualitative Criteria**

Qualitative Criteria	Weighting %
1. Company Experience and Past Performance undertaking works in a similar environment	40%
2. Methodology and suitability of works program	30%
3. Company Profile, Resources and skills and experience of key personnel	30%
<b>Total</b>	<b>100%</b>

More detailed information about the assessment process can be found in the Recommendation Report – **Confidential Attachment (a)**.

### Consultation

In March 2019 community feedback was sought on the preliminary water sensitive urban design. The design was updated taking on board the community feedback along with the outcomes of environmental studies.

eQuotes were invited in accordance with the *Local Government Act 1995*.

### Policy and Legislative Implications

Section 3.57 of the *Local Government Act 1995* - tenders for providing goods or services:

- (1) *A local government is required to invite tenders before it enters into a contract of a prescribed kind under which another person is to supply goods or services.*
- (2) *Regulations may make provision about tenders.*

Regulation 11 of the Local Government (Functions and General) Regulations 1996 - when tenders have to be publicly invited:

- (1) *Tenders are to be publicly invited according to the requirements of this Division before a local government enters into a contract for another person to supply goods or services if the consideration under the contract is, or is expected to be, more, or worth more, than \$250 000 unless subregulation (2) states otherwise.*
- (2) *Tenders do not have to be publicly invited according to the requirements of this Division if –*
  - (b) *the supply of the goods or services is to be obtained through the WALGA Preferred Supplier Program.*

The following City Policies also apply:

- Policy P605 - Purchasing and Invoice Approval
- Policy P607 -Tenders and Expressions of Interest

### Financial Implications

The full cost of the works to complete this project is not currently allocated in the 2021/22 Capital Works budget. The current budget allocation is \$900,000 and is made up of \$600,000 from a Federal Government Local Roads and Community Infrastructure (LRCI) Phase 2 grant and \$250,000 from a LRCI Phase 3 grant, plus a \$50,000 allocation from the City.

An additional \$350,000 is required to fulfill the project. It is proposed that the additional funds will be transferred from the following Projects:

Project	Budget	Comment
Local Roads and Community Infrastructure - Phase 2 (LRCI) Grant funded projects		
1. <i>Waterford Triangle Upgrade</i>	\$100,000	Surplus to the project
2. <i>Mends St Fibre Optic Cable Installation</i>	\$90,000	This project requires more preliminary investigation work which cannot be spent from the grant allocation
3. <i>South Perth Esplanade Bicycle Path Upgrade</i>	\$25,000	Surplus funds
Municipal funded projects		
4. <i>Collier Park Golf Course Weir Rectification</i>	\$70,000	Surplus funds
5. <i>Manning Hub Laneway Project</i>	\$40,000	Surplus funds
6. <i>Jarman Avenue – Hennington to Downey</i>	\$25,000	Project delayed
<b>Total Additional Funds Requested</b>	<b>\$350,000</b>	

The Phase 2, LRCI funds need to be expended by 30 June 2022. Any funds not expended by that time will need to be returned to the Department of Infrastructure, Transport, Regional Development and Communications (Department). This includes the \$215,000 in surplus funds listed in Projects 1, 2 & 3 above and the \$600,000 of Phase 2, LRCI funds allocated to the Neil McDougall Lake project.

The end date for variations to the Phase 2 grant was 31 October 2021, however following recent discussions with the Department, a funding reallocation will be permitted where the funds are allocated to an already approved project, such as the Neil McDougall Lake project.

10.2.1 eQuote 03/2021 Provision of Stage 1 Construction - Neil McDougall Lake Water Sensitive Urban Design - Multiple Works Program

**Conclusion**

Based on the assessment of all submissions received for eQuote 03 - Provision of Stage 1 Construction – Neil McDougall Lake Water Sensitive Urban Design – Multiple Works Packages, it is recommended that the eQuote submission from Advantearing Civil Engineers be accepted by Council.

Acceptance of this eQuote will be subject to Council approval of the recommended budget adjustments listed and discussed in the Financial Implications and Officer Recommendation sections of this report.

**Strategic Implications**

This matter relates to the following Strategic Direction identified within Council’s [Strategic Community Plan 2020-2030](#):

Strategic Direction: Community  
Aspiration: A diverse, connected, safe and engaged community  
Outcome: 1.2 Community Infrastructure  
Strategy: 1.2.1 Plan, develop and facilitate community infrastructure to respond to changing community needs and priorities

**Attachments**

10.2.1 (a): Recommendation Report (*Confidential*)

## 10.3 STRATEGIC DIRECTION 3: ENVIRONMENT (BUILT AND NATURAL)

### 10.3.1 Local Heritage Inventory Reclassification Request for Memorial Church of St Martin in the Field and Durbridge Hall

Location:	50 Dyson Street, Kensington
Ward:	Moresby Ward
Applicant:	Elberton Property 7 Pty Ltd
File Ref:	D-21-90606
Meeting Date:	14 December 2021
Author(s):	Matthew Andrews, Strategic Planning Officer
Reporting Officer(s):	Vicki Lummer, Director Development and Community Services
Strategic Direction:	Environment (built and natural): Sustainable urban neighbourhoods
Council Strategy:	3.2 Sustainable Built Form

#### Summary

This report considers a request by the applicant to reclassify the place known as Memorial Church of St Martin in the Field and Durbridge Hall from Management Category B to Management Category D on the City's Local Heritage Inventory, and subsequent removal from the City's Heritage List. The City has considered this request and based on expert advice, recommends reclassification to Management Category C.

#### Officer Recommendation

That Council:

1. Reclassify the Memorial Church of St Martin in the Field and Durbridge Hall from Management Category B to Management Category C on the City's Local Heritage Inventory;
2. Remove the Memorial Church of St Martin in the Field and Durbridge Hall from the City's Local Heritage List and note that a Development Application for demolition is not required in accordance with the Deemed Provisions of the Planning and Development (Local Planning Schemes) Regulations 2015;
3. Give notice of removal of the Memorial Church of St Martin in the Field and Durbridge Hall from the City's Heritage List to the Heritage Council of Western Australia;
4. Request the CEO to engage with the local community to capture as much information about Memorial Church of St Martin in the Field and Durbridge Hall and an interpretative sign or plaque be placed on or near the site.

**Background**

As part of the 2018 review of the City's local heritage inventory, the place known as Memorial Church of St Martin in the Field and Durbridge Hall at Lot 53 (No. 50) Dyson Street, Kensington was renominated for inclusion on the inventory and was subsequently entered on to the inventory as a 'management category B' place. The place was nominated for inclusion by the City as it was included on the Heritage Council assessment program in 2012, and the Heritage Council recommended that the place be considered for inclusion on the City's local heritage inventory.

Since its inclusion on the local heritage inventory and heritage list, the church was subsequently deconsecrated in March 2020 and the property sold by the Anglican Church in April 2021. The Heritage Council also undertook a preliminary review of the place in 2021 and determined that it would not meet the conditions for entry in the State Register. The place was subsequently removed from the Heritage Council's assessment program in August 2021. Further history of the site is available in the heritage report prepared by Griffiths Architects included at **Attachment (a)** and in the City's Local Heritage Inventory.

On 1 October 2021 the City received a request to reclassify the place known as Memorial Church of St Martin in the Field and Durbridge Hall at Lot 53 (No. 50) Dyson Street, Kensington, from 'management category B' to 'management category D' on the City's Local Heritage Inventory. Places with a management category of A or B on the Local Heritage Inventory make up the City's Heritage List, a list required to be prepared by local governments under the Planning and Development (Local Planning Schemes) Regulations 2015. Places on a heritage list have special controls through the City's Town Planning Scheme No. 6 and any proposed development, including demolition, must consider the cultural heritage value of the place.

Reclassification from management category B to management category D on the local heritage inventory would result in the place being removed from the heritage list.

An application for development approval for demolition of the existing buildings on the subject site has also been submitted to the City. The City has also received a referral request from the Western Australian Planning Commission (WAPC) in relation to a subdivision proposal for the subject site for the creation of four new lots. Both applications are on hold pending an outcome on the reclassification request. Approval of the reclassification and removal of the place from the heritage list would enable the City to support the subdivision.

Under the provisions of the Planning and Development (Local Planning Schemes) Regulations 2015, development approval is not required for the demolition of a building, provided it is not located in a heritage-protected place. As such, should the reclassification be supported, the applicant will be invited to withdraw their current application. Should the reclassification not be supported, and the buildings remain on the heritage list, the development application for demolition of the existing buildings will be refused under delegated authority as the proposal would be contrary to the provisions of Town Planning Scheme No. 6 and Policy 313 Local Heritage Listing.

The City has also received a referral request from the Western Australian Planning Commission (WAPC) in relation to a subdivision proposal for the subject site for the creation of 4 new lots. Both applications are on hold pending an outcome on the reclassification request. Approval of the reclassification and removal of the place from the heritage list would enable the City to support the subdivision application and demolition of the buildings under delegation.

The request for reclassification submitted by the applicant was accompanied by a Heritage Assessment prepared by Griffiths Architects included as **Attachment (a)** and a Structural Report prepared by Quoin Consulting included as **Attachment (b)**.

The City engaged Hocking Heritage + Architecture to review the Heritage Assessment provided by Griffiths Architects and determine an appropriate management category for the place. These heritage comments are included at **Attachment (c)**.

### **Comment**

The *Heritage Act 2018* (the Act) requires each local government to identify places of cultural heritage significance in a local heritage inventory (now termed 'local heritage survey'). The Heritage Council Guidelines for Local Heritage Surveys 2019 outlines the method of assessment to determine the cultural heritage significance of a place. This method is outlined in more detail in Local Planning Policy P313 Local Heritage Listing.

P313 provides guidance on the process for reclassification or deletion of places from the local heritage inventory, process for review of the local heritage inventory, matters relating to proposed development on heritage sites, and financial incentives for maintenance and conservation.

As outlined in P313, when a nomination to enter a place, or a request for reclassification of a place on the Local Heritage Inventory is received, Council is required to obtain appropriate advice and give due consideration to the assessment criteria, among any other matters which might be relevant to the assessment of the heritage significance of the place.

P313 refers to the following values, drawn from the Burra Charter (a document of the Australia International Council on Monuments and Sites), and used by the Heritage Council. These are the key assessment criteria, relevant to the consideration of this reclassification request, and applied by the City in assessing the cultural heritage significance of places.

1. **Aesthetic value:** It is significant in exhibiting particular aesthetic characteristics
2. **Historic value:** It is significant in the evolution or pattern of the history of the local district
3. **Research value:** It has the potential to yield information that contributes to an understanding of the natural or cultural history of the local district and/or it is significant in demonstrating a high degree of technical innovation or achievement
4. **Social value:** It is significant through association with a community or cultural group in the local district for social, educational, or spiritual reasons.



5. **Rarity:** It demonstrates rare, uncommon, or endangered aspects of the cultural heritage of the local district
6. **Representativeness:** It is significant in demonstrating the characteristics of a class of cultural places or environments in the local district.

P313 also identifies three additional factors to consider relating to the place in its current state. These factors are:

- **The condition** of the place in relation to the values for which that place has been assessed
- **The integrity**, being the extent to which a place continues to function in its original use
- **The authenticity**, being the extent to which the fabric is in its original condition.

The heritage report prepared by Griffiths Architects has assessed the place using the above criteria.

#### Heritage Assessment

The heritage assessment prepared by Griffiths Architects on behalf of the applicant, has determined the appropriate management category of the place to be 'Category 'D'. Following receipt of the request for reclassification, the City engaged heritage consultants Hocking Heritage + Architecture to review the applicant's heritage report. As outlined in the heritage comments provided by Hocking Heritage + Architecture, their role was not to prepare another heritage assessment, but to provide comment on the heritage assessment as provided by Griffiths Architects and to determine an appropriate management category for the place.

The heritage comments from Hocking Heritage + Architecture also considered the structural report prepared by Quoin Consulting.

The Quoin Consulting structural report states that the buildings require major upgrades before being reoccupied, or to be converted to another use such as residential housing. Hocking Heritage + Architecture notes that although the required works will impact on the heritage value of the buildings, the assessment of an appropriate heritage classification for the place is determined based on the existing condition of the buildings. As such, the impact on the cultural heritage value resulting from retrofitting or repurposing the building has not been considered as part of this report.

Hocking Heritage + Architecture noted that although the two buildings on the site have been assessed as a management category D place by Griffiths Architects, they consider a more appropriate listing on the Heritage Inventory is Management Category C.

The justification provided for why the place has a lower cultural heritage value than when it was included on the Local Heritage Inventory and Heritage List in 2018 is outlined in the heritage comments. The main reasons provided are:

- the extent of recent changes to the place (deconsecrating of the building and removal of elements linking the place to the Anglican Church)
- the ability for a more detailed assessment to be conducted of the interior of the buildings; and
- the current condition of the buildings.

### Decision by Council

In considering the request for reclassification and removal of the place from the City's Heritage List, Local Planning Policy P313 Local Heritage Listing, should guide any decision. P313 outlines matters that should be considered as part of a request for reclassification, being all relevant material provided by the applicant, the comments from the City's heritage consultant (Hocking Heritage + Architecture) and feedback received as part of the advertising.

The heritage comments by Hocking Heritage + Architecture assessed the cultural heritage value of the place using the 6 criteria and 3 additional factors listed in P313. Significant weight should be given to the heritage comments by Hocking Heritage + Architecture as the technical experts engaged by the City to provide comment on the proposal.

### **Consultation**

Advertising and engagement of the proposal was undertaken having regard to Local Planning Policy P301 Advertising of Planning Proposals, P103 Stakeholder Engagement, and clause 8(3A) of the Deemed Provisions.

Advertising was undertaken for a period of 21 days between 20 October and 10 November 2021. Advertising was undertaken across a range of different methods as listed below:

- A project page on Your Say South Perth including FAQ's and a Question-and-Answer function
- Letters to owners and occupiers within 200m of the site
- Emails/letters to all submitters for the development application for the proposed demolition (65 submitters)
- A drop-in session onsite from 4.30pm to 6.00pm on Wednesday 27 October 2021 (approximately 50 attendees)
- Online engagement via eNews, website and social media.

An overview of the engagement activities and outcomes is included at **Attachment (d)**.

### Feedback analysis

An online feedback form was set up to allow the community to easily provide their feedback on the proposal. The City asked:

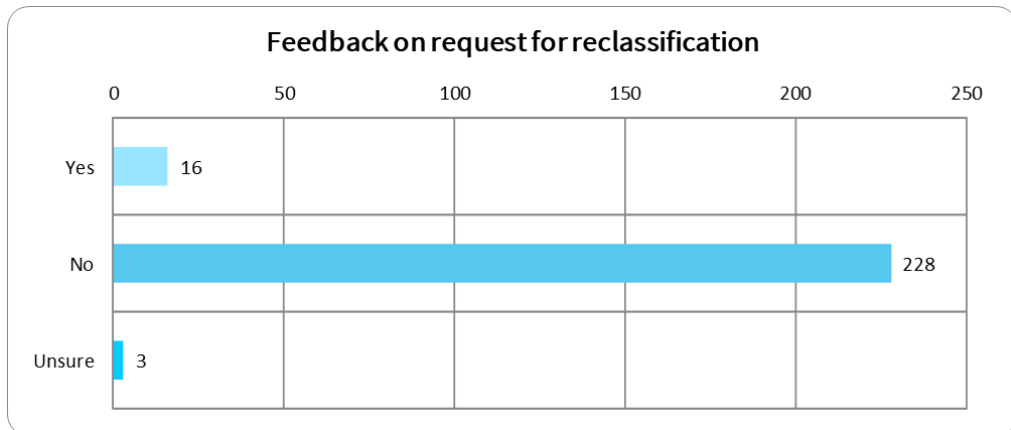
*Do you support the request to reclassify the Memorial Church of St Martin in the Field and Durbridge Hall, located at 50 Dyson Street, Kensington, from Management Category B to Management Category D in the City's Local Heritage Inventory and remove it from the City's Heritage List?*

A total of 247 individual responses were received on Your Say South Perth.

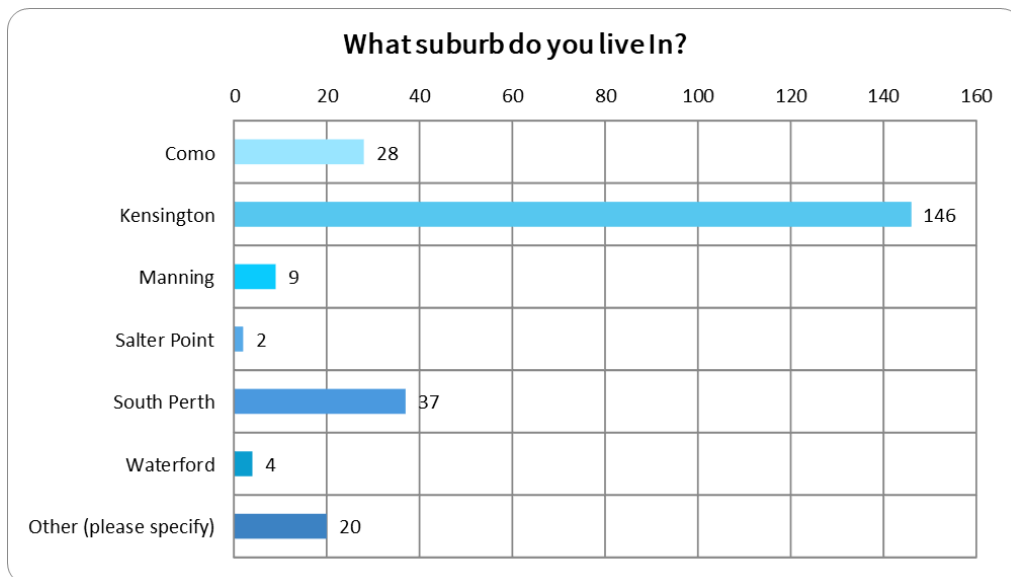
10.3.1

**Local Heritage Inventory Reclassification Request for Memorial Church of St Martin in the Field and Durbridge Hall**

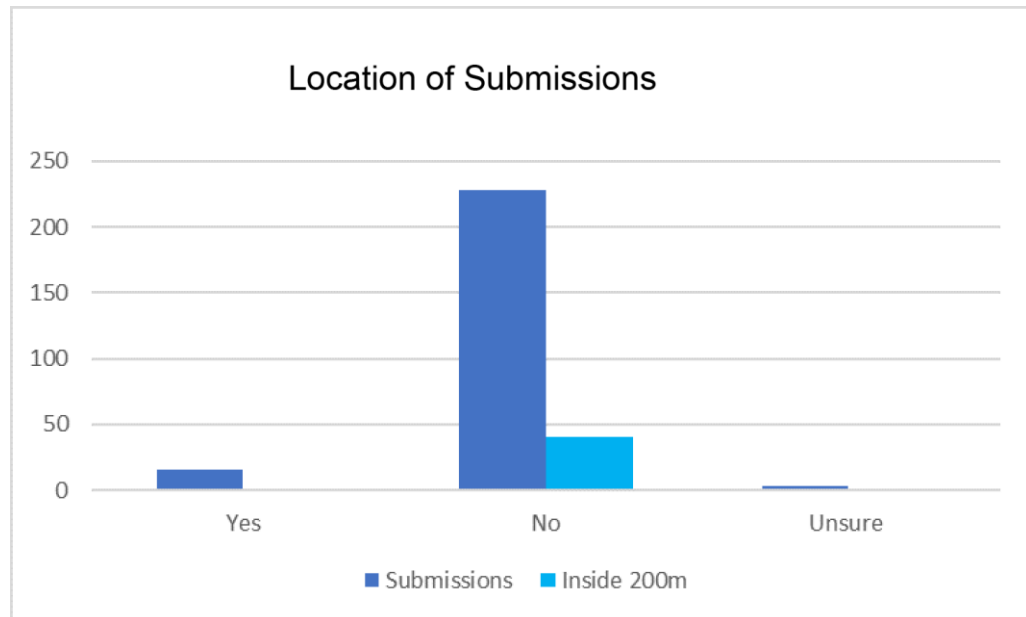
The request to reclassify was overwhelmingly not supported with 228 submissions not supporting the proposal, 16 submissions supporting the proposal and 3 submissions unsure.



Demographic information was collected on the feedback form. The results below reflect 246 responses of the 247 total responses. 1 online feedback form was received via direct email did not provide demographic data with their response and therefore is not included in the breakdown of demographic data.



Of the 246 individual responses that provided demographic information, 40 submissions (16.2%) came from households within 200m of the subject site. All 40 of these submissions were not supportive of the request to reclassify the place.



In addition to the feedback received via the online feedback form, the City received three direct emails from unique submitters (i.e. did not provide feedback via the online feedback form) and one submission via letter. These four submissions, considered by the City to not support the proposal, have been included in the analysis of the key themes below.

All verbatim responses to the next question, “*Please tell us why*” on the online feedback form are included in **Attachment (d)**, and the four submissions received directly by the City are included in **Attachment (e)**.

The City is also aware of other community led engagement relating to the proposal including a dedicated Facebook group, and various posts on community Facebook pages. Although noted by the City, the feedback provided in these forums has not been considered for the purpose of this Report.

Additionally, the City has received a petition with 123 verified signatures, under clause 6.9 of the City of South Perth Standing Orders Local Law 2007. This petition requests that the Memorial Church of St Martin in the Field and Durbridge Hall at 50 Dyson Street, Kensington retains its current classification of management category B and are therefore prevented from demolition. Reasons provided are due to their significant heritage value to the local community as the only category B heritage listed buildings left in Kensington and their direct link to the formation of the suburb.

This petition is additional to the submission numbers listed above and is considered as a single submission.

#### Key themes

From the 232 responses that did not support the proposal (228 via the online feedback form and four direct submissions) the following themes have been identified as the reasons for not supporting the request for reclassification:

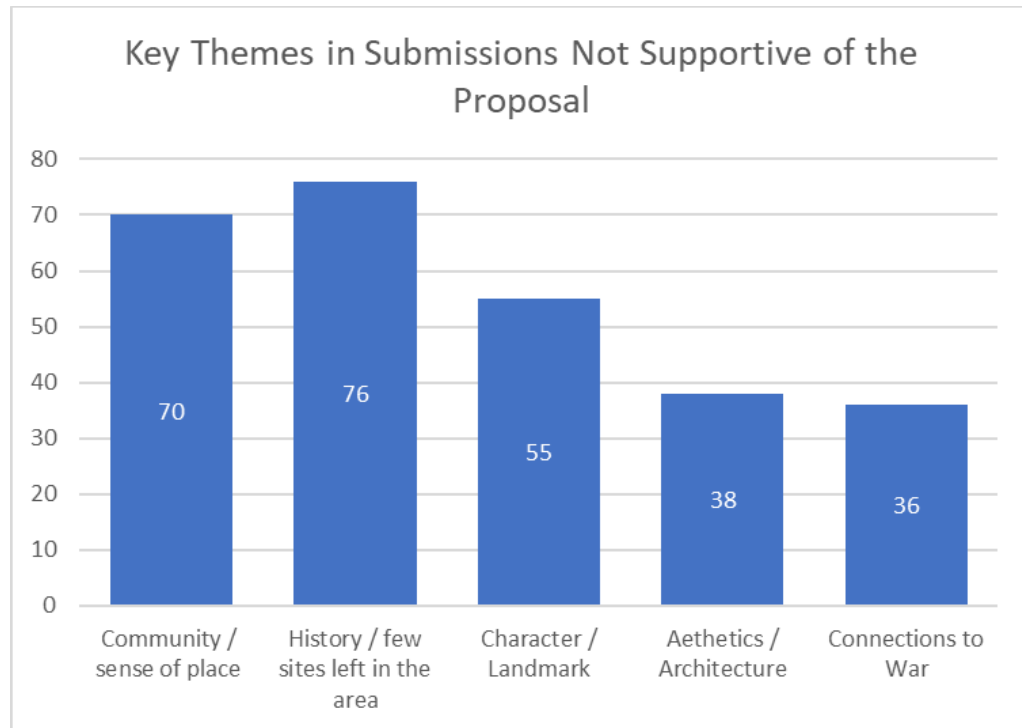
- The connection between the site and the community including the sense of place that this creates (70 submissions)

10.3.1

**Local Heritage Inventory Reclassification Request for Memorial Church of St Martin in the Field and Durbridge Hall**

- The historical links to the suburb of Kensington, and being one of the few remaining heritage buildings in the area (76 submissions)
- The buildings are a landmark that adds to the character of the area (55 submissions)
- The architectural style and aesthetics of the buildings (38 submissions)
- The memorial status of the church building and the connection to various wars (36 submissions).

The below graph shows the percentage of responses in relation to the above key themes.



In addition to the above themes, a range of other matters were raised in the submissions that the City has determined do not relate to the assessment of cultural heritage value based on the assessment criteria. These matters are outside the key assessment criteria and the reasons for why these matters are not considered to relate to cultural heritage value are discussed in the table below.

Matter	Reason not relevant
Adaptive reuse of the building (56 submissions, 24.6%)	The cultural heritage value of a place is not impacted by the ability for the place to be retrofitted or adapted for another use. Although the place may be able to be converted to another use this is not relevant to why the place is on the heritage list.
Property bought with a knowledge of the heritage listing (39 submissions, 17.1%)	The cultural heritage value of the place is not impacted by the sale of a property that is heritage listed. The owners purchased the property with knowledge of the heritage listing and the restriction that would apply to the site.

	Following purchase of the site they have subsequently made an application to the City for the place to be removed from the City's heritage list and subsequently demolished. The owners are following the appropriate processes to request to have the place removed from the heritage list.
Not supportive of a future redevelopment on the site (31 submissions, 13.6%)	The cultural heritage value of a place is not impacted by the development potential of the site.
No valid reasons provided / the reports are biased (28 submissions, 12.3%)	The landowner has provided a heritage report that has been reviewed by the City's heritage consultant. Both reports must be considered as part of the process for determining the request for reclassification. The sentiment that the report provided by the applicant or by the City's heritage consultant as biased, is rejected.
Buildings are capable of being restored and maintained (21 submissions, 9.2%)	The cultural heritage of the place does consider the current physical state of the building. However, the fact the buildings can be restored does not prevent reclassification.
It sets a precedent (17 submissions, 7.5%)	The City will consider any request that is made for a place to be added to or removed from the heritage list in accordance with orderly and proper planning and on the merits of the proposal. The removal of one place does not impact on the consideration of any other places in the future.
Request should not be considered by the City (12 submissions, 5.3%)	Local Planning Policy P313 Local Heritage Listing outlines the process to request a reclassification of a place on the local heritage inventory. Although this policy states that it is rarely appropriate to reclassify a Category A or B place to a lower classification, the heritage report by Griffiths Architecture and heritage comments provided by the City's Hocking Heritage + Architecture were considered to be strong justification for the City to consider the request and to present the matter to Council.
Objectives of the City's Strategic Community Plan (6 submissions, 2.6%)	A Strategic Community Plan is a long-term, overarching strategy that outlines the community's aspirations and priorities for the future and sets out the key strategies required to achieve these. It is a high-level document

	with high-level objectives that cannot be applied directly to a single application.
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A total of 16 submissions did support the proposal. The following themes have been identified from these submissions:

- The building is ugly with low architectural merit
- The building is no longer being used for community purposes.

A total of three submissions were received responding that they were unsure of their level of support for the proposal. All three of these submissions wanted to better understand what the future plans for the site were before forming an opinion. As stated above any potential future use of the site is not considered to be a relevant consideration in assessing cultural heritage value.

#### Engagement Summary

It was clear from the engagement, that the Memorial Church of St Martin in the Field and Durbridge Hall is a place that many members of the community have a strong connection to. The feedback included stories of past activities in the buildings and memories of the place from both a personal and community aspect. These stories and the connection that the local community have to the place is relevant to the cultural heritage and is considered in the heritage comments from Hocking Heritage + Architecture under social value and heritage value criteria.

It was also clear from the engagement, that the community feel that these buildings should continue to serve the local community. It was proposed that the buildings could be repurposed for a range of uses from café, to a marketplace, to a place for artists to meet and create art. These submissions are noted, however the property is in private ownership and the City cannot require an owner to occupy the existing buildings with a new use.

Following consultation, the City went back to Hocking Heritage + Architecture to ascertain if the large number of responses received from the community would alter their recommendation. The response from Hocking Heritage + Architecture was that the heritage comments provided were still appropriate. It was however recommended that the City should take the opportunity to capture the memories and sentiments of the community and collect as many photos, memorabilia, written and oral accounts of the place to add to the City's archival records of the place.

Should the place be reclassified and removed from the heritage list it is likely the buildings on the site will be demolished. It is noted that this will understandably impact the local community, in particular those community members who have a connection to the place. The Council must consider the proposal at hand, being the request for reclassification, having regard to the planning framework as it applies to this proposal, and valid heritage considerations and assessment. Any future development that may occur on the site is not considered to be a relevant factor in assessing the cultural heritage value of the place.

10.3.1 Local Heritage Inventory Reclassification Request for Memorial Church of St Martin in the Field and Durbridge Hall

**Conclusion**

It is recommended that the place be reclassified from Category B to Category C and subsequently that the place is removed from the City’s heritage list. This recommendation has been made having regard to the expert heritage comments provided by Hocking Heritage + Architecture that consider the cultural heritage value of the place.

**Policy and Legislative Implications**

The process for reclassifying a place on the City’s Local Heritage Inventory is outlined in Local Planning Policy P313. In addition, the Planning and Development (Local Planning Schemes) Regulations 2015, Schedule 2 - Deemed Provisions outlines the responsibilities of the local government where a place is proposed to be added to or removed from a heritage list.

**Financial Implications**

The determination has some financial implications, to the extent that if a review of this decision is lodged, the City may need to seek external representation.

**Strategic Implications**

This matter relates to the following Strategic Direction identified within Council’s [Strategic Community Plan 2020-2030](#):

Strategic Direction: Environment (Built and Natural)  
Aspiration: Sustainable urban neighbourhoods  
Outcome: 3.2 Sustainable built form  
Strategy: 3.2.1 Develop and implement a sustainable local planning framework to meet current and future community needs

**Attachments**

- 10.3.1 (a): Heritage Report by Griffiths Architects
- 10.3.1 (b): Structural Report by Quoin Consulting
- 10.3.1 (c): Heritage comments by Hocking Heritage and Architecture
- 10.3.1 (d): Engagement overview report including a summary of submissions received via Your Say South Perth
- 10.3.1 (e): Summary of other submissions



## 10.4 STRATEGIC DIRECTION 4: LEADERSHIP

### 10.4.1 Listing of Payments - November 2021

Location:	Not Applicable
Ward:	Not Applicable
Applicant:	Not Applicable
File Ref:	D-21-90607
Meeting Date:	14 December 2021
Author(s):	Abrie Lacock, Manager Finance
Reporting Officer(s):	Garry Adams, Director Corporate Services
Strategic Direction:	Leadership: A visionary and influential local government
Council Strategy:	4.3 Good Governance

#### Summary

This report presents to Council a list of accounts paid under delegated authority between 1 November and 30 November 2021 for information. During the reporting period, the City made the following payments:

EFT Payments to Creditors	(420)	\$4,827,780.67
Cheque Payment to Creditors	(4)	\$917.80
<b>Total Monthly Payments to Creditors</b>	<b>(424)</b>	<b>\$4,828,698.47</b>
EFT Payments to Non-Creditors	(88)	\$535,369.24
Cheque Payments to Non-Creditors	(34)	\$26,992.35
<b>Total EFT &amp; Cheque Payments</b>	<b>(546)</b>	<b>\$5,391,060.06</b>
Credit Card Payments	(6)	\$20,358.74
<b>Total Payments</b>	<b>(552)</b>	<b>\$5,411,418.80</b>

#### Officer Recommendation

That Council receives the Listing of Payments for the month of November 2021 as detailed in **Attachment (a)**.

#### Background

Council has delegated to the Chief Executive Officer (CEO) the exercise of its power to make payments from its Municipal and Trust Funds. In accordance with regulation 13(1) of the Local Government (Financial Management) Regulations 1996 a list of accounts paid by the CEO is to be prepared each month and presented to the Council at the next Ordinary Meeting of the Council after the list is prepared.

#### Comment

The payment listing for November 2021 is included at **Attachment (a)**.

The attached report includes a "Description" for each payment. City officers have used best endeavours to redact (in black) information of a private or confidential nature.

The report records payments classified as:

- **Creditor Payments**

These include payments by both cheque and EFT to regular suppliers with whom the City transacts business. The reference number represent a batch number of each payment.

- **Non Creditor Payments**

These one-off payments that include both cheque and EFT are made to individuals / suppliers who are not listed as regular suppliers. The reference number represent a batch number of each payment.

- **Credit Card Payments**

Credit card payments are now processed in the Technology One Finance System as a creditor payment and treated as an EFT payment when the bank account is direct debited at the beginning of the following month.

Details of payments made by direct credit to employee bank accounts in accordance with contracts of employment are not provided in this report for privacy reasons nor are payments of bank fees such as merchant service fees which are directly debited from the City's bank account in accordance with the agreed fee schedules under the contract for provision of banking services.

### Consultation

Nil.

### Policy and Legislative Implications

Regulations 12 and 13(1) of the Local Government (Financial Management) Regulations 1996. Policy P602 Authority to Make Payments from the Municipal and Trust Funds.

### Financial Implications

The payment of authorised amounts is within existing budget provisions.

### Strategic Implications

This matter relates to the following Strategic Direction identified within Council's [Strategic Community Plan 2020-2030](#):

Strategic Direction:	Leadership
Aspiration:	A visionary and influential local government
Outcome:	4.3 Good governance
Strategy:	4.3.1 Foster effective governance through quality decision-making

### Attachments

**10.4.1 (a):** Listing of Payments November 2021

## 10.4.2 Monthly Financial Statements - November 2021

Location:	Not Applicable
Ward:	Not Applicable
Applicant:	Not Applicable
File Ref:	D-21-90463
Meeting Date:	14 December 2021
Author(s):	Abrie Lacock, Manager Finance
Reporting Officer(s):	Garry Adams, Director Corporate Services
Strategic Direction:	Leadership: A visionary and influential local government
Council Strategy:	4.3 Good Governance

### Summary

The monthly Financial Statements are provided within **Attachments (a)–(i)**, with high level analysis contained in the comments of this report.

### Officer Recommendation

That Council notes the Financial Statements and report for the month ended 30 November 2021.

### Background

Regulation 34(1) of the Local Government (Financial Management) Regulations 1996, requires each local government to present a Statement of Financial Activity reporting on income and expenditure as set out in the annual budget. In addition, regulation 34(5) requires a local government to adopt a percentage or value to report on material variances between budgeted and actual results. The 2021/22 budget adopted by Council on 22 June 2021, determined the variance analysis for significant amounts of \$10,000 or 10% for the financial year. Each Financial Management Report contains only the Original Budget. A Revised (adjusted) Budget has not been presented as no budget adjustments have been presented to Council for approval.

### Comment

The Statement of Financial Activity, a similar report to the Rate Setting Statement, is required to be produced monthly in accordance the Local Government (Financial Management) Regulations 1996. This financial report is unique to local government drawing information from other reports to include Operating Revenue and Expenditure, Capital Income and Expenditure as well as transfers to reserves and loan funding.

COVID-19 declared a pandemic on 11 March 2020 by the World Health Organisation continues to cause havoc on the global health scene with a significant impact on world economic activities. Australia, like the rest of the world has turned its attention to increasing vaccination rates to limit the economic impact of COVID. As vaccination rates rise, significantly less lockdowns and other restrictions will be required to minimise severe cases of COVID-19, reducing the economic cost of managing the virus.

Treasury (Federal) estimates that at 80 per cent vaccination rates, the direct national economic costs are expected to be around \$140m per week. In framing the Annual Budget 2021/22, the City considered the current economic environment and the impact of COVID-19. As Western Australia remains at risk the State Government extended the emergency period and it is now 30 March 2020 to 17 December 2021. Western Australia continues its hard borders stance with travel restrictions, albeit in the face of significant criticism.

Actual income from operating activities for November year-to-date (YTD) is \$65.80m in comparison to budget of \$65.32m, favourable to budget by 0.74% or \$484k. Actual expenditure from operating activities for November is \$31.22m in comparison to budget of \$32.13m, favourable to budget by 2.84% or \$913k. The November Net Operating Position of \$34.58m was \$1.40m favourable in comparison to budget.

Actual Capital Revenue YTD is \$353k in comparison to the budget of \$562k. Actual Capital Expenditure YTD is \$2.65m in comparison to the budget of \$2.84m. As described during the Budget deliberations, the estimation of Capital projects that may carry-forward from one year to the next is challenging as it is dependent on estimating the completion of work by 30 June by a contractor. As in previous years, there is a number of Capital projects that require a Budget adjustment.

Cash and Cash Equivalents amounted \$75.88m. Traditionally the November cash balance is higher following the rates being issued and payments received in the first half of the financial year. Consistent with previous monthly reports, the Cash and Cash Equivalents balance is contained within the Statement of Financial Position. In addition, further detail is included in a non-statutory report (All Council Funds).

The record low interest rates in Australia are impacting the City's investment returns, with banks offering average interest rates of 0.38% for investments under 12 months. The City holds a portion of its funds in financial institutions that do not invest in fossil fuels. Investment in this market segment is contingent upon all of the other investment criteria of Policy P603 Investment of Surplus Funds being met. At the end of November 2021 the City held 28.92% of its investments in institutions that do not provide fossil fuel lending. The Summary of Cash Investments illustrates the percentage invested in each of the non-fossil fuel institutions and the short term credit rating provided by Standard & Poors for each of the institutions.

### **Consultation**

Nil.

### **Policy and Legislative Implications**

This report is in accordance with the requirements of the Section 6.4 of the *Local Government Act 1995* and regulation 34 of the Local Government (Financial Management) Regulations 1996.

### **Financial Implications**

The preparation of the monthly financial reports occurs from the resources provided in the annual budget.

**Strategic Implications**

This matter relates to the following Strategic Direction identified within Council's [Strategic Community Plan 2020-2030](#):

Strategic Direction:	Leadership
Aspiration:	A visionary and influential local government
Outcome:	4.3 Good governance
Strategy:	4.3.1 Foster effective governance through quality decision-making

**Attachments**

10.4.2 (a):	Statement of Financial Position
10.4.2 (b):	Statement of Change in Equity
10.4.2 (c):	Statement of Financial Activity
10.4.2 (d):	Operating Revenue & Expenditure
10.4.2 (e):	Significant Variance Analysis
10.4.2 (f):	Capital Revenue & Expenditure
10.4.2 (g):	Statement of Council Funds
10.4.2 (h):	Summary of Cash Investments
10.4.2 (i):	Statement of Major Debtor Categories

### 10.4.3 Strategic Community Plan

Location:	Not Applicable
Ward:	Not Applicable
Applicant:	Not Applicable
File Ref:	D-21-90609
Meeting Date:	14 December 2021
Author(s):	Danielle Cattalini, Manager Stakeholder and Customer Relations
Reporting Officer(s):	Garry Adams, Director Corporate Services
Strategic Direction:	Leadership: A visionary and influential local government
Council Strategy:	4.3 Good Governance

#### Summary

The purpose of this report is to provide the Council with the final Strategic Community Plan 2021-2031 for endorsement.

At the 26 October 2021 Ordinary Council Meeting, Council approved the release of the draft City of South Perth Strategic Community Plan 2021-2031 Review for public feedback.

The City engaged with stakeholders and the community and provided the opportunity for public feedback for a three-week period from 27 October – 18 November 2021. Submitted feedback was reviewed and revisions included in the final Strategic Community Plan 2021-2031 contained in **Attachment (a)**.

#### Officer Recommendation

That Council adopts the Strategic Community Plan 2021-2031 as shown in **Attachment (a)**.

**Absolute Majority required.**

#### Background

All local governments are currently required to produce a plan for the future under S5.56 (1) of the *Local Government Act 1995*. This includes the requirement to implement an Integrated Planning and Reporting (IPR) Framework and for all local governments to develop a 10 year Strategic Community Plan (SCP) to link the community's aspirations with the Council's vision and long term strategy.

The last review for the City's SCP was a minor review endorsed by Council at its meeting held 26 May 2020. At that same meeting, Council also endorsed to commence a major review of the SCP, that commenced in late 2020.

Over the past 12 months, the City has conducted stakeholder and community engagement with a number of stages and revisions to produce the final City of South Perth Strategic Community Plan 2021-2031 presented to Council for consideration and endorsement.

Further information and background is outlined in the City of South Perth 26 October 2021, Ordinary Council Meeting Minutes.

### Comment

As part of this current SCP major review process, stakeholder and community engagement was conducted through workshops with Elected Members and the Picture Your Future City of South Perth stakeholder and community engagement program (phase one) from 15 February-May 2021. Independent consultants, Research Solutions, assisted in the consultation planning, implementation and analysis of the stakeholder engagement and a feedback report and recommendations from the feedback included in a draft SCP 2021-2031 Review.

At its meeting held 26 October 2021, Council noted the major review of City of South Perth Strategic Community Plan 2020-2030 Stakeholder and Community Engagement Report May 2021 by Research Solutions and approved the release of the draft City of South Perth Strategic Community Plan 2021-2031 Review for public feedback. Following this decision, feedback was conducted as part of the Picture Your City of South Perth three-week stakeholder and community engagement program (phase two) between 27 October 2021 - 18 November 2021.

All comments received during the public feedback period were then reviewed and revisions to the draft SCP Review document made. These changes took into consideration a number of components including factors such as the number of submissions provided, the quality of the feedback, consideration of previous engagement feedback (from stage one of the engagement process) and the appropriateness of feedback for a high level, strategic, overarching City document. Other useful feedback was also received that will be further considered in the Corporate Business Plan and other informing City documents. The final revisions are included in the City of South Perth Strategic Community Plan 2021-2031 contained in **Attachment (a)**.

### Consultation

The public feedback period from 27 October 2021 – 18 November 2021 for the Picture Your Future City of South Perth stakeholder and community engagement (phase two) included two components:

- Feedback forms (65 submissions received)
- Community drop-in session (four attendees)

#### *Feedback forms*

The feedback form provided the opportunity for participants to comment on the draft SCP 2021-2031 Review document which included the aspirations, priorities, outcomes and strategies for each strategic direction. Participants could comment on all of these and were asked to tell us what they like, what they would change and what they think is missing.

Participants could also provide feedback on one, multiple or all of the questions with free form boxes and expand their response with reasoning and could provide suggested changes.

#### *Analysis*

During the analysis and revision process, the 65 feedback form submissions available as verbatim comments in **Attachment (b)** were categorised and grouped according to similar themes/comments/ideas. A number of the submissions provided overall comments to the questions asked and did not propose any direct change to the wording. In this case, the intent of the feedback was noted.

Some participants indicated that they supported/agreed or that they did not support/disagreed with the suggested wording.

The next stage of the analysis considered the responses and categorised them into whether they contained information that was directly relevant to the Strategic Community Plan or if it was more relevant to the Corporate Business Plan and other informing City documents.

Following the groupings, ordering and decisions on the relevance and influence the responses had on the Strategic Community Plan, a final review was conducted on each response. Changes were then made to the wording in the draft SCP 2020-2030 Review document and all revisions included in the final SCP 2021-2031 **Attachment (a)**.

#### *Community drop in session*

Held at the South Perth Civic Centre, between 11am and 2pm on Saturday 6 November 2021, the Community drop-in session provided the opportunity for stakeholders and the community members to come in and view the draft SCP Review documents, find out more about the SCP and ask questions from City employees. There were also hard copy and iPads available to complete the feedback form onsite or information on how to submit feedback online.

#### ***Stakeholder and Community Engagement revisions to the SCP 2020-2021 Review Document***

An overall revision made throughout the revised SCP is, when referencing community, the word 'the' has been change to 'our' to reinforce that this is a document owned by the City and community.

All other revisions that have been made following the public feedback period from 27 October 2021 – 18 November 2021 are listed in the table below. The changes include revised aspirations, priorities, outcomes and strategies. The new wording for the SCP is labelled as now and the original wording that was included in the SCP Review document is labelled as previous.

#### **Strategic Direction: Community**

##### ***Aspiration***

Now	Previous
Our diverse community is inclusive, safe, connected and engaged	A diverse community that is connected, inclusive, safe and engaged

##### ***Priorities***

Now	Previous
Provide infrastructure and facilities that encourage participation and bring our community together	Add new infrastructure and facilities to bring the community together
Enhanced safety for the community*	Enhanced safety for the community



Now	Previous
Provide a range of inclusive community events that engage our community	Provide a range of community events that encourage cohesion in the community

*\*Change of order – no word change*

### ***Outcomes and Strategies***

Now	Previous
<b>Culture and community</b>	
Be innovative in the provision of events, services and programs that respond to changing community needs and priorities	Develop and facilitate events, services and programs to respond to community needs and priorities
Facilitate and create opportunities for inclusive and cohesive social, cultural and healthy activity in the City	Facilitate and create opportunities for social, cultural and physical activity in the City
Celebrate, support and value heritage and culture within the City for present and future generations	Celebrate and support heritage and culture within the City for present and future generations
Maximise opportunities and provide support for volunteering in our community	Foster volunteerism to build social capital in the community
<b>Community infrastructure</b>	
Maintain current and plan, develop and facilitate community infrastructure to respond to community needs and priorities	Plan, develop and facilitate community infrastructure to respond to changing community needs and priorities
Develop, manage and maximise the use of the City's properties, assets and facilities	Manage the provision, use and development of the City's properties, assets, facilities and heritage
<b>Community safety and health</b>	
Enhance community safety in conjunction with other agencies*	Facilitate and foster a healthy and connected community

Now	Previous
Facilitate and foster a healthy and connected community	Enhance community safety in conjunction with other agencies
Implement effective Emergency Management arrangements	Develop and implement effective Emergency Management arrangements

*\*Change of order – no word change*

### Strategic Direction: Economy

#### *Aspiration*

Now	Previous
A thriving City activated by attractions and opportunities that encourage investment and economic development	A thriving City activated by attractions and opportunities that welcome investment and economic development

#### *Priorities*

Now	Previous
Encourage and support local business, employment and a network of neighbourhood hubs*	Revitalise under-utilised commercial areas
Partner with businesses and the community to deliver events and attractions that increase visitation	Events and attractions that attract visitors
Revitalise under-utilised commercial areas*	Encourage and support local business, employment and a network of neighbourhood hubs

*\*Change of order no word change*

#### *Outcomes and Strategies*

Now	Previous
<b>Local business</b>	
Attract and support a broad range and size of businesses to the City	Attract and support a broad range of small and medium-sized enterprises (SMEs) to the City

Now	Previous
Leverage growth in the local learning, innovation and technology economy to harness benefits for the community	Leverage the local learning, innovation and technology economy to harness benefits for the community
<b>Activated places</b>	
Facilitate events that support local business	Facilitate events and attractions to attract visitors to support local businesses
Enable the establishment of activities centres and neighbourhood hubs that offer diverse and viable mix of uses	Facilitate activity centres and neighbourhood hubs that offer a diverse, viable and attractive mix of uses
Facilitate increased use of and visitation to City assets and destinations	Facilitate increased use of and visitation to the South Perth Foreshore

### Strategic Direction: Environment (Built and Natural)

#### *Aspiration*

Now	Previous
Sustainable, liveable, diverse and welcoming neighbourhoods that respect and value the natural and built environment	Sustainable, liveable and vibrant neighbourhoods which respect and value the environment

#### *Priorities*

Now	Previous
<b>Natural</b> Retain and enhance our open and green spaces to cater for all generations	<b>Natural</b> Retain and enhance our open spaces that attract and cater for all generations

#### *Outcomes and Strategies*

Now	Previous
Connected and accessible City	

Now	Previous
Facilitate a safe, efficient, accessible and reliable transport network that is pedestrian and cycle friendly	Facilitate a safe, efficient, enhanced and reliable transport network that is pedestrian and cycle friendly
Develop and implement integrated transport and infrastructure plans that consider improved parking management systems and encourage alternative forms of transport	Develop and implement integrated transport and infrastructure plans that consider improved parking management systems and alternative forms of transport
Enhanced environment and open spaces	
Provide proactive and effective management of the Swan and Canning River foreshores	Facilitate effective management of the Swan and Canning River foreshore
Resource management and climate change	
Actively manage and promote sustainable water, waste, land and energy practices	Promote and implement sustainable water, waste, land and energy management practices

***Strategic Direction: Leadership***

***Aspiration***

Now	Previous
A local government that is receptive and proactive in meeting the needs of our community	An influential and receptive local government

***Priorities***

Now	Previous
Work with, support and assist residents and community groups to achieve local growth and improvement	Support and assist residents and community groups to achieve local growth and improvement

***Outcomes and Strategies***

Now	Previous
<b>Engaged community and leadership</b>	<b>Engaged community</b>
Engage, consult and listen to our community to understand and deliver on identified priorities	Engage, consult and listen to the community to understand and respond to community priorities
<b>Advocacy</b>	
Advocate and plan for public infrastructure improvements including a new South Perth train station, Canning Bridge train-to-bus station transition terminus, upgrades to Canning Highway and additional ferry and bus services	Advocate for public infrastructure improvements including a new South Perth train station, Canning Bridge train-to-bus station transition terminus, upgrades to Canning Highway and additional ferry and bus services
<b>Good governance</b>	
Maintain a culture of fiscal efficiency and continuous improvement	Maintain a culture of fiscal efficiency

\* The tables above only include revisions that have been made to the draft SCP 2021-2031 Review document. To view the full SCP 2021-2031 please refer to **Attachment (a)**.

***Stakeholder Engagement awareness: Communication method and reach***

To support the *Picture Your Future South Perth* stakeholder and community engagement process, a number of different marketing and communications methods and tools were utilised to assist in increasing the awareness of the feedback period, provide information on the SCP and maximise participation and the opportunity to provide feedback.

The draft SCP Review was communicated broadly including online, on Council noticeboards and in the City's libraries and through multiple channels including:

- Posters were displayed in the libraries, Civic Centre and City-owned community facilities
- Emails were sent to the City's advisory groups, all schools and early learning centres in the area, community, action and other groups inviting them to provide feedback on the Review.

Channel	Reach*	Results
Peninsula magazine	Distributed to 24,000 residents and businesses across the City	Upcoming feedback period mentioned
Website	News update, 27 October	7 views

Channel	Reach*	Results
Social media	Facebook: 11,000 page followers	Total posts: 4 Total reach: 4,137 60 clicks to YSSP
	Instagram: 4,851 followers	Total posts: 2 Total reach: 1,168
Peninsula Snapshot eNews	Fortnightly eNewsletter distributed to over 12,000 subscribers	Articles published: 3 Nov and 17 Nov 1,587 clicks to YSSP

\* Reach – total number of people who see the content

### Policy and Legislative Implications

*Local Government Act 1995*

Local Government (Administration) Regulations 1996 – 19C (7) Strategic Community Plans, requirements for (Act s.5.56)

### Financial Implications

The major review required an annual budget allocation to enable the appropriate level of community engagement required to satisfy meeting the advisory standards set out in the DLGSC's IPR Framework and Guidelines.

An amount of \$50,000 was included in the organisational planning 2020/21 budget to cover the major review requirements, specifically relating to consultants for various workshop facilitation, advertisement costs, printing costs and data analysis. It is envisioned that the bulk of the work will be completed in house therefore utilising existing salary budgets.

### Strategic Implications

This matter relates to the following Strategic Direction identified within Council's [Strategic Community Plan 2020-2030](#):

Strategic Direction: Leadership  
 Aspiration: A visionary and influential local government  
 Outcome: 4.3 Good governance  
 Strategy: 4.3.1 Foster effective governance through quality decision making

### Attachments

- 10.4.3 (a):** City of South Perth Strategic Community Plan 2021-2031
- 10.4.3 (b):** City of South Perth Strategic Community Plan Review Engagement Overview Report November 2021
- 10.4.3 (c):** City of South Perth Major Review of Strategic Community Plan 2020-2030 Stakeholder Engagement Report - May 2021 Research Solutions

#### 10.4.4 City of South Perth Annual Report 2020/21

Location:	Not Applicable
Ward:	Not Applicable
Applicant:	Not Applicable
File Ref:	D-21-90612
Meeting Date:	14 December 2021
Author(s):	Lisa Williams, Communications and Marketing Coordinator
Reporting Officer(s):	Mike Bradford, Chief Executive Officer
Strategic Direction:	Leadership: A visionary and influential local government
Council Strategy:	4.3 Good Governance

#### Summary

This report recommends that Council accept the 2020/21 Annual Report and hold the Electors' General Meeting on Tuesday 8 February 2022.

#### Officer Recommendation

That Council:

1. Accepts the City of South Perth Annual Report for the year 2020/21 as shown at **Attachment (a)**; and
2. Endorses the 2021 Electors' General Meeting to be held Tuesday 8 February 2022.

**Absolute Majority Required**

#### Background

Each year Council is required to accept the City of South Perth Annual Report. Once accepted by Council, the Annual Report is to be published on the City's official website within 14 days and presented to an Electors' General Meeting within 56 days of Council accepting the report.

#### Comment

The City of South Perth Annual Report 2020/21 provides a comprehensive account of the City's activities throughout the financial year and showcases the City's progress towards the strategic objectives in the City's Strategic Community Plan 2020 – 2030. The Annual Report also contains information on the City's achievements and challenges and key targets for the year ahead.

The Annual Financial Statements will be presented as a separate report for Council's adoption.

Once the Annual Report and Annual Financial Statements are accepted by Council it is proposed to hold the Electors' General Meeting on Tuesday 8 February 2022.

### Consultation

There is no legislative requirement for the City to consult on the Annual Report, however, the *Local Government Act 1995* requires the Annual Report to be made available to members of the public prior to the Electors' General Meeting.

### Policy and Legislative Implications

Section 5.53 of the *Local Government Act 1995* requires a local government to prepare an Annual Report for each financial year.

Section 5.54 of the *Local Government Act 1995* requires the Annual Report to be accepted by the local government no later than 31 December after that financial year.

Section 5.27 of the *Local Government Act 1995* requires an Electors' General Meeting to be held once every financial year on a day selected by the local government but not more than 56 days after the local government accepts the annual report.

### Financial Implications

The costs associated with the Annual Report and holding the Electors' General Meeting are contained within the City's 2021/22 operating budget.

### Strategic Implications

This matter relates to the following Strategic Direction identified within Council's [Strategic Community Plan 2020-2030](#):

Strategic Direction:	Leadership
Aspiration:	A visionary and influential local government
Outcome:	4.3 Good governance
Strategy:	4.3.1 Foster effective governance through quality decision-making

### Attachments

**10.4.4 (a):** City of South Perth Annual Report 2020/21



### 10.4.5 Appointment of Delegate and Deputy Delegate to the Perth Airports Municipalities Group Inc.

Location:	Not Applicable
Ward:	Not Applicable
Applicant:	Not Applicable
File Ref:	D-21-90614
Meeting Date:	14 December 2021
Author(s):	Toni Fry, Governance Coordinator
Reporting Officer(s):	Mike Bradford, Chief Executive Officer
Strategic Direction:	Leadership: A visionary and influential local government
Council Strategy:	4.3 Good Governance

#### Summary

This report is to appoint a delegate and deputy delegate to the Perth Airports Municipalities Group Inc. as Councillor Carl Celedin has resigned from the position and a deputy delegate was never appointed.

#### Officer Recommendation

1. That Council notes Councillor Carl Celedin has resigned as delegate from the Perth Airports Municipalities Group Inc.
2. That Councillor \_\_\_\_\_ be appointed as delegate to the Perth Airports Municipalities Group Inc. for the period 15 December 2021 to 21 October 2023.
3. That Councillor \_\_\_\_\_ be appointed as a Deputy Delegate to the Perth Airports Municipalities Group Inc. for the period 15 December 2021 to 21 October 2023.

#### Background

At its Special Council meeting held Monday 18 October 2021, Council appointed Councillor Carl Celedin as the City's delegate to the Perth Airports Municipalities Group Inc. A deputy delegate was not appointed.

Councillor Carl Celedin has advised that he needs to resign from the position as he has been appointed to WALGA State Council and the meetings fall on the same day.

#### Comment

The Perth Airports Municipalities Group Inc. (PAMG) was formerly established in January 1983. The PAMG meets on a quarterly basis to discuss matters which either directly or indirectly impact on the community such as aircraft noise, flight paths, off-airport development and on-airport development.

One Delegate and one Deputy Delegate is recommended to ensure that the City is appropriately represented should our Delegate be unable to attend a PAMG meeting.

**Appointment of Delegate and Deputy Delegate to the Perth Airports Municipalities Group Inc.**

The PAMG's membership consists of the following 13 local governments who are either directly or indirectly impacted by airports:

- City of Armadale
- Town of Bassendean
- City of Bayswater
- City of Belmont
- City of Canning
- City of Cockburn
- City of Gosnells
- Shire of Kalamunda
- City of Melville
- Shire of Mundaring
- City of South Perth
- City of Swan
- Town of Victoria Park

No additional fees or allowances are paid to representatives on the Perth Airports Municipalities Group Inc.

**Consultation**

Nil.

**Policy and Legislative Implications**

Nil.

**Financial Implications**

Nil.

**Strategic Implications**

This matter relates to the following Strategic Direction identified within Council's [Strategic Community Plan 2020-2030](#):

Strategic Direction:	Leadership
Aspiration:	A visionary and influential local government
Outcome:	4.3 Good governance
Strategy:	4.3.1 Foster effective governance through quality decision-making

**Attachments**

Nil.

## 10.5 MATTERS REFERRED FROM COMMITTEE MEETINGS

### 10.5.1 CEO's Performance Review Process and KPI Setting

Location:	Not Applicable
Ward:	Not Applicable
Applicant:	Not Applicable
File Ref:	D-21-90615
Meeting Date:	14 December 2021
Author(s):	Pele McDonald, Manager Human Resources
Reporting Officer(s):	Mike Bradford, Chief Executive Officer
Strategic Direction:	Leadership: A visionary and influential local government
Council Strategy:	4.3 Good Governance

#### Summary

This report considers the Chief Executive Officer's performance review for the period 1 February 2021 to 31 January 2022, a remuneration review and the proposed performance review process for 2021/22.

#### Committee Recommendation

**Moved:** Mayor Greg Milner  
**Seconded:** Councillor Ken Manolas

That the CEO Evaluation Committee recommends to Council that it:

1. Endorses the Chief Executive Officer's Evaluation Report Annual Performance Review, November 2021 as shown in **Confidential Attachment (a)**;

**CARRIED (4/0)**

**For:** Mayor Greg Milner and Councillors Glenn Cridland, Blake D'Souza, Ken Manolas.

**Against:** Nil.

2. Adopts the Terms of Reference for the CEO Evaluation Committee as shown in **Attachment (b)**;

**CARRIED (4/0)**

**For:** Mayor Greg Milner and Councillors Glenn Cridland, Blake D'Souza, Ken Manolas.

**Against:** Nil.

3. Adopts the Annual Performance Review Process as shown in **Confidential Attachment (a)**; and

**CARRIED (4/0)**

**For:** Mayor Greg Milner and Councillors Glenn Cridland, Blake D'Souza, Ken Manolas.

**Against:** Nil.

4. Applies a remuneration increase to the Chief Executive Officers' total remuneration package, effective 1 January 2022 as shown in **Confidential Attachment (a)**.

**CARRIED (3/1)**

**For:** Mayor Greg Milner and Councillors Blake D'Souza, Ken Manolas.

**Against:** Councillor Glenn Cridland.

#### Officer Recommendation

That the CEO Evaluation Committee recommends to Council that it:

1. Endorses the Chief Executive Officer's Evaluation Report Annual Performance Review, November 2021 as shown in **Confidential Attachment (a)**;
2. Adopts the Terms of Reference for the CEO Evaluation Committee as shown in **Attachment (b)**;
3. Adopts the Annual Performance Review Process as shown in **Confidential Attachment (a)**; and
4. Applies a remuneration increase to the Chief Executive Officers' total remuneration package, effective 1 February 2022 as shown in **Confidential Attachment (a)**.

#### Background

The Chief Executive Officer commenced with the City of South Perth on 1 February 2021 and prepared a Key Performance Indicator (KPI) Report for his performance period 1 February 2021 to 31 January 2022.

The Chief Executive Officer presented to all Councillors on 3 November 2021 and the KPI Self-Assessment Report is shown in **Confidential Attachment (c)**.

In accordance with his contract of employment, the Council is required to undertake an annual performance review.

#### Comment

The following items have been provided for discussion and consideration:

- The Terms of Reference for the CEO Evaluation Committee as shown in **Attachment (b)**.
- The CEO's KPI Self-Assessment Report as show in **Confidential Attachment (c)**.
- The Key Performance Indicators for the period 1 July 2021 to 31 January 2022.
- Councillor feedback on the CEO's performance as shown in the CEO Evaluation Report Annual Performance Review **Confidential Attachment (a)**.

#### Consultation

This report has been prepared in consultation with the Chair of the CEO Evaluation Committee.

### Policy and Legislative Implications

The Local Government (Administration) Regulations 1996 provides:

18D. Performance review of CEO, local government's duties

*A local government is to consider each review on the performance of the CEO carried out under s5.38 and is to accept the review, with or without modification, or to reject the review.*

Clause 5.38 and 5.39 (3) of the *Local Government Act 1995* provides that there must be specified contract performance criteria for the purpose of reviewing the performance of the Chief Executive Officer at least once in relation to every year of employment.

### Financial Implications

If Council approves a remuneration increase it will be captured in the current budget period.

### Strategic Implications

This matter relates to the following Strategic Direction identified within Council's [Strategic Community Plan 2020-2030](#):

Strategic Direction:	Leadership
Aspiration:	A visionary and influential local government
Outcome:	4.3 Good governance
Strategy:	4.3.1 Foster effective governance through quality decision-making

### Attachments

10.5.1 (a):	Evaluation Report Annual Performance Review ( <i>Confidential</i> )
10.5.1 (b):	Terms of Reference
10.5.1 (c):	KPI Self Assessment Report ( <i>Confidential</i> )

## 10.5.2 Terms of Reference - Audit, Risk and Governance Committee

Location:	Not Applicable
Ward:	Not Applicable
Applicant:	Not Applicable
File Ref:	D-21-90617
Meeting Date:	14 December 2021
Author(s):	Toni Fry, Governance Coordinator
Reporting Officer(s):	Mike Bradford, Chief Executive Officer
Strategic Direction:	Leadership: A visionary and influential local government
Council Strategy:	4.3 Good Governance

### Summary

The Terms of Reference for the Audit, Risk and Governance Committee are presented for consideration by the Committee and referral to Council for adoption.

### Officer Recommendation AND COMMITTEE RECOMMENDATION

**Moved:** Ms Shona Zulsdorf  
**Seconded:** Councillor Blake D'Souza

That the Audit, Risk and Governance Committee recommends to Council that it adopts the Audit, Risk and Governance Terms of Reference as contained in **Attachment (a)**.

**CARRIED (10/0)**

**For:** Mayor Greg Milner and Councillors André Brender-A-Brandis, Mary Choy, Glenn Cridland, Blake D'Souza, Ken Manolas, Jennifer Nevard, Stephen Russell; Mr Aswin Kumar and Ms Shona Zulsdorf.

**Against:** Nil.

### Background

The Audit, Risk and Governance Committee Terms of Reference were considered by the Audit, Risk and Governance Committee on 18 November 2019 and endorsed by Council at its meeting held 26 November 2019. In line with best practice and good governance the Terms of Reference have been reviewed and amended as per **Attachment (a)** for consideration by the Committee and Council.

### Comment

The Terms of Reference provide:

- Officers with guidance on the type of reports that are eligible to be submitted to this particular Committee; and
- The Committee with its objectives, areas of responsibility and structure.

## 10.5.2 Terms of Reference - Audit, Risk and Governance Committee

The Terms of Reference are to be reviewed in line with the appointment of Elected Members and external Committee Members to the Committee following the local government elections.

### Consultation

Nil.

### Policy and Legislative Implications

Section 5.8 of the *Local Government Act 1995* enables Council to establish a Committee.

### Financial Implications

Nil.

### Strategic Implications

This matter relates to the following Strategic Direction identified within Council's [Strategic Community Plan 2020-2030](#):

Strategic Direction:	Leadership
Aspiration:	A visionary and influential local government
Outcome:	4.3 Good governance
Strategy:	4.3.1 Foster effective governance through quality decision-making

### Attachments

**10.5.2 (a):** Terms of Reference - Audit, Risk and Governance Committee

### 10.5.3 Internal Audit Report - Regulation 5 Review

Location:	Not Applicable
Ward:	Not Applicable
Applicant:	Not Applicable
File Ref:	D-21-90621
Meeting Date:	14 December 2021
Author(s):	Abrie Lacock, Manager Finance
Reporting Officer(s):	Garry Adams, Director Corporate Services
Strategic Direction:	Leadership: A visionary and influential local government
Council Strategy:	4.3 Good Governance

#### Summary

This report tables the Internal Audit Report – Regulation 5 Review. In accordance with the Local Government (Financial Management) Regulations 1996 Regulation 5, the CEO is to undertake reviews of the appropriateness and effectiveness of the financial management systems and procedures of the local government and report to the local government the results of those reviews. This review is also in accordance with the City’s Strategic Internal Audit Plan, which deals with these areas separately (separate headings). The report contains Paxon’s two detailed audit findings, with a number of notations and other observations.

The audit includes strengths, weaknesses, issues, risk ratings, recommendations and management comments.

#### Officer Recommendation AND COMMITTEE RECOMMENDATION

**Moved:** Ms Shona Zulsdorf

**Seconded:** Mayor Greg Milner

That the Audit, Risk and Governance Committee recommends to Council that it:

1. Notes the Internal Audit Report – Regulation 5 Review contained in **Confidential Attachment (a)**; and
2. Accepts and adds the two recommendations contained in Section 5 of the Internal Audit Report – Regulation 5 Review to the Audit Register.

**CARRIED (10/0)**

**For:** Mayor Greg Milner and Councillors André Brender-A-Brandis, Mary Choy, Glenn Cridland, Blake D’Souza, Ken Manolas, Jennifer Nevard, Stephen Russell; Mr Aswin Kumar and Ms Shona Zulsdorf.

**Against:** Nil.

#### Background

For each Internal Audit completed, the reports are presented to the Audit, Risk and Governance Committee (ARGC) and then Council for acceptance of the recommendations and detailed findings. Paxon attend the relevant ARGC meeting to respond to questions relating to the report.



Management respond to Paxon's recommendations, in relation to their findings, and these are listed in the Audit Register.

### Comment

The Internal Audit Report – Regulation 5 Review is a confidential report to be used for internal purposes to assist in improving business processes and systems. The report includes the strengths, weaknesses, issues, risk ratings, recommendations and management comments.

Internal Audit is an essential component of the City's continuous improvement process, findings and business improvement recommendations are welcome. The Regulation 5 Review report contains Paxon's two detailed findings with notations relating to possible efficiencies and other observations.

All items included in the Audit Register are reported at each subsequent ARGC meeting, including information relating to the progress of implementing the Agreed Management Actions, a percentage complete indicator and officer comments. As these issues are implemented, a recommendation will be included to close the item. Closed items will no longer be reported in the Audit Register to the ARGC, but will be accessible by the Internal and External Auditors to review compliance.

### Consultation

Nil.

### Policy and Legislative Implications

The Internal Audit function is considered a business improvement process that will assist in compliance with Regulation 5 of the Local Government (Financial Management) Regulations 1996 (CEO's duties as to financial management) and regulation 17 of the Local Government (Audit) Regulations 1996 (CEO to review certain systems and procedures).

### Financial Implications

The Internal Audit function has a budget of \$40,000 for the 2021/22 financial year and it is anticipated that a budget of a similar amount is to be adopted each year.

### Strategic Implications

This matter relates to the following Strategic Direction identified within Council's [Strategic Community Plan 2020-2030](#):

Strategic Direction:	Leadership
Aspiration:	A visionary and influential local government
Outcome:	4.3 Good governance
Strategy:	4.3.1 Foster effective governance through quality decision-making

### Attachments

10.5.3 (a): Internal Audit Report - Regulation 5 Review (*Confidential*)

#### 10.5.4 City of South Perth Annual Financial Report 2020/21

Location:	Not Applicable
Ward:	Not Applicable
Applicant:	Not Applicable
File Ref:	D-21-90623
Meeting Date:	14 December 2021
Author(s):	Abrie Lacock, Manager Finance
Reporting Officer(s):	Garry Adams, Director Corporate Services
Strategic Direction:	Leadership: A visionary and influential local government
Council Strategy:	4.3 Good Governance

#### Summary

This report recommends that the Audit, Risk and Governance Committee recommend that Council adopt the 2020/21 Annual Financial Report, accept the Independent Auditor's Report included in the Annual Financial Report and the Office of the Auditor General Exit Brief.

#### Officer Recommendation AND COMMITTEE RECOMMENDATION

**Moved:** Councillor Blake D'Souza

**Seconded:** Mayor Greg Milner

That the Audit, Risk and Governance Committee recommend to Council that it:

1. Adopt the Annual Financial Report shown at **Attachment (a)**;
2. Accepts the Independent Auditor's Report on the 2020/21 Annual Financial Report presented by the WA Auditor General included in the Annual Financial Report shown at **Attachment (a)**;
3. Accepts the WA Auditor General Annual Financial Audit Exit Brief shown at **Confidential Attachment (b)**.

**CARRIED (10/0)**

**For:** Mayor Greg Milner and Councillors André Brender-A-Brandis, Mary Choy, Glenn Cridland, Blake D'Souza, Ken Manolas, Jennifer Nevard, Stephen Russell; Mr Aswin Kumar and Ms Shona Zulsdorf.

**Against:** Nil.

#### Background

The Department of Local Government, Sport and Cultural Industries (DLGSCI) Operational Guidelines Number 9 – Audit in Local Government, describe that the CEO is responsible to ensure the external audit (financial) report is provided to the Audit Risk and Governance Committee (ARGC) and recommending the Committee review the Annual Financial Report. This the fourth year that the City's external audit has been conducted by the WA Auditor General (OAG). The City of South Perth was one of the first (of three) Councils where the WA Auditor General conducted the external audit as part of the four year staged transition where all local governments are to be audited by the OAG by the 2020/21 financial year.

The 2020/21 Annual Financial Report shown at **Attachment (a)** provides the community with an open and accountable insight into how the City has performed against the adopted Annual Budget 2020/21 as the short term plan informed by the vision and strategic objectives outlined in the City's Strategic Community Plan 2020-2030.

Included in the Annual Financial Report on pages 2,3 and 4 in **Attachment (a)**, is the draft Independent Auditor's Report on the 30 June 2021 Annual Financial Report. The WA Auditor General has presented their findings in the Annual Financial Audit Exit Brief which is provided at **Confidential Attachment (b)**.

### Comment

The Annual Financial Audit Exit Brief **Confidential Attachment (b)** at Part 3 titled "Issues Identified during the Audit" confirms that there were no issues identified during the financial audit to report on. It also describes that the additional Information Systems Audit fieldwork is close to completion and any findings will be communicated in a separate management letter which will be submitted to a future ARGC meeting.

Part 4 of the Exit Brief reports on "Other Legal and Regulatory Requirements" it identifies that similar to prior years the audit opinion will report on the City's negative Operating Surplus Ratio, regarded as a significant adverse trend. The Exit Brief specifies that the City's Operating Surplus Ratio is below the Department of Local Government Sport and Cultural Industries basic standard of 0.01 for the last three financial years. Council is well aware of this issue, which has been ongoing and has set a short to medium term (two to four years) goal of improving its Financial Health Indicator score (FHI), by specifically targeting the Operating Surplus Ratio.

Part 5 of the Exit Brief describes audit outcomes relating to risks identified during audit planning. This section confirms that all risks identified were adequately mitigated and addressed.

Part 6 of the Exit Brief describes unadjusted errors and misstatements which are immaterial and do not have an impact on the City's Annual Financial Report. The WA Auditor General has once again issued an unqualified opinion in the Independent Auditor's Report.

Officers recommend the ARGC receive the presentation by staff from the Office of the Auditor General and note the 2020/21 Annual Financial Report and the Annual Financial Audit Exit Brief.

The ARGC may make recommendations to Council, with Council required to accept the Annual Report, including the Annual Financial Report, for presentation to the Annual Electors General Meeting.

The Annual Financial Report and Independent Auditor's Report are complete. There may be minor layout and textual amendments (presentation amendments) to the Annual Financial Report prior to it being presented to the Elector's General Meeting, scheduled to be held 6.00pm Tuesday 8 February 2022.

### Consultation

Nil.

**Policy and Legislative Implications**

Section 5.53(1) of the *Local Government Act 1995* requires a local government to prepare an annual report for each financial year. Section 5.53(2) of the *Local Government Act 1995* specifies that the Annual Report is to contain the financial report and auditor's statement for that financial year.

**Financial Implications**

Nil.

**Strategic Implications**

This matter relates to the following Strategic Direction identified within Council's [Strategic Community Plan 2020-2030](#):

Strategic Direction:	Leadership
Aspiration:	A visionary and influential local government
Outcome:	4.3 Good governance
Strategy:	4.3.1 Foster effective governance through quality decision-making

**Attachments**

- 10.5.4 (a):** Annual Financial Report for the year ended 30 June 2021  
**10.5.4 (b):** Annual Financial Audit Exit Brief (*Confidential*)

### 10.5.5 Audit Register - Progress Report

Location:	Not Applicable
Ward:	Not Applicable
Applicant:	Not Applicable
File Ref:	D-21-90625
Meeting Date:	14 December 2021
Author(s):	Rose Jordan, Integrated Planning Advisor
Reporting Officer(s):	Garry Adams, Director Corporate Services
Strategic Direction:	Leadership: A visionary and influential local government
Council Strategy:	4.3 Good Governance

#### Summary

This report provides an update on the progress of actions included in the Audit Register. The Audit Register includes all open audit findings that have previously been accepted by the Audit, Risk and Governance Committee.

#### Officer Recommendation AND COMMITTEE RECOMMENDATION

**Moved:** Councillor Blake D'Souza

**Seconded:** Ms Shona Zulsdorf

That the Audit, Risk and Governance Committee recommends to Council that it:

1. Notes the progress recorded against each item within the Audit Register in **Confidential Attachment (a)**; and
2. Approves the findings marked as Complete (100%) in the Audit Register, to be registered as closed and no longer reported to the Committee.

**CARRIED (10/0)**

**For:** Mayor Greg Milner and Councillors André Brender-A-Brandis, Mary Choy, Glenn Cridland, Blake D'Souza, Ken Manolas, Jennifer Nevard, Stephen Russell; Mr Aswin Kumar and Ms Shona Zulsdorf.

**Against:** Nil.

#### Background

The confidential Audit Register lists internal and external audit findings, describes the progress of implementing improvements and percentage completion. This report is prepared for noting the progress and completion of findings since the last meeting.

#### Comment

It is important to note that the Audit Register **Confidential Attachment (a)** counts actions and totals by "Finding #". Each finding may have more than one "Recommendation" and associated "Agreed Management Action", previously counted as **one** action. This can mean that some Recommendations within an Action will be completed (100%) and some will not.

Only when all assigned Recommendations/Agreed Management Actions are marked as 100% complete will the Audit, Risk and Governance Committee (ARGC) approve the Finding for closure.

As requested, following the September 2020 ARGC meeting, the Audit Register has been formatted to ensure clarity with:

1. Each finding that has more than one agreed management action is represented with double lines around that entire finding;
2. Each finding that is to be closed (100% for all agreed actions) is represented by a purple "Closed Tally" column on the right and numbered; and
3. All findings that are being recommended to close by the ARGC (100%) are filtered to the end of the register.

Following the December 2020 ARGC meeting, the Audit Register has been further formatted to ensure clarity with:

1. The insertion of a "Count" column on the far left to provide the cumulative number (sum) of all current findings within the register. The final count number at the end of the register will therefore represent the total number of current findings (including those recommended for closure).

The ARGC is requested to recommend to Council to note the progress and officer comments. In addition, it is recommended all findings marked as complete (100%) in the Audit Register be registered as closed. All closed items will not form part of the Audit Register report for future meetings. The closed items are available for the Internal and External Auditors and Committee/Council to review.

It is requested to note the Audit Register in **Confidential Attachment (a)**.

A review of the Strategic Internal Audit Plan (SIAP) is underway with initial discussions held with the City's Internal Auditor, Paxon. The intention with this review is to expand the scope to be a Strategic Audit Plan (SAP) so that we can adequately plan for and report against all audits, internal and external.

It is anticipated that this review and the new SAP will be presented at the next Audit, Risk and Governance Committee Meeting to be held 8 March 2022.

### **Consultation**

Nil.

### **Policy and Legislative Implications**

The Internal Audit function is considered a business improvement process that will assist in compliance with Regulation 5 of the Local Government (Financial Management) Regulation 1996 (CEO's duties as to financial management) and Regulation 7 of the Local Government (Audit) Regulations 1996 (CEO to review certain systems and procedures).

### **Financial Implications**

The Internal Audit function (Paxon) has a budget of \$40,000 for the 2021/22 financial year, and it is anticipated that a budget of a similar amount is to be adopted each year. Officers' effort to undertake the improvements and report on progress has not been estimated.

#### 10.5.5 Audit Register - Progress Report

The External Audit function (WA Auditor General) has a budget of \$65,000 for the audit of the 2020/21 Annual Financial Statements, undertaken and incurred during the 2021/22 financial year.

#### Strategic Implications

This matter relates to the following Strategic Direction identified within Council's [Strategic Community Plan 2020-2030](#):

Strategic Direction: Leadership  
Aspiration: A visionary and influential local government  
Outcome: 4.3 Good governance  
Strategy: 4.3.1 Foster effective governance through quality decision-making

#### Attachments

10.5.5 (a): Audit Register Progress Report 1st Quarter - 15 November 2021  
(Confidential)

## 11. APPLICATIONS FOR LEAVE OF ABSENCE

## 12. MOTIONS OF WHICH PREVIOUS NOTICE HAS BEEN GIVEN

### 12.1 NOTICE OF MOTION - COUNCILLOR STEPHEN RUSSELL - IMPLEMENTATION OF PUBLICLY ACCESSIBLE 'PARKING CASH-IN-LIEU REGISTER' IN SUPPORT OF THE PARKING RESERVE.

Location:	Not Applicable
Ward:	Not Applicable
Applicant:	Not Applicable
File Ref:	D-21-90626
Meeting Date:	14 December 2021
Author(s):	Fiona Mullen, Manager Development Services
Reporting Officer(s):	Vicki Lummer, Director Development and Community Services
Strategic Direction:	Environment (built and natural): Sustainable urban neighbourhoods
Council Strategy:	3.1 Connected & Accessible City

#### Summary

Councillor Stephen Russell submitted the following Notice of Motion at the Ordinary Council Meeting held on 26 October 2021.

#### Notice of Motion Recommendation (Suggested Alternative Recommendation page 75)

That Council request the Chief Executive Officer to:

1. Develop a vehicle parking cash-in-lieu register or other similar instrument that shall as a minimum detail the following for each applicable development:
  - a. The City's Development Application (DA) reference number,
  - b. Where applicable, the Development Assessment Panel's (DAP) file number,
  - c. The DA address,
  - d. The DA planning approval date,
  - e. Where applicable, the date that the cash-in-lieu of parking condition became active,
  - f. The parking shortfall number,
  - g. The cash-in-lieu funds,



- h. Where funds have been expended, the details of the where, the how and the sum of the cash-in-lieu funds that were expended to satisfy the condition,
    - i. The sum of any additional City funds expended to support the cash-in-lieu funds.
  2. The register noted in (1) shall be inclusive of all current and previous DA's, since the creation of the parking reserve, where a cash-in-lieu condition is or was applicable.
  3. The register noted in (1) shall be visible to the public via the Development Applications webpage as a separate linked stand-alone webpage.
  4. The period for the update of the register as noted in (1) shall be at the discretion of the City but shall not exceed 6 months.
  5. Items (1), (2) and (3) shall be implemented by end of March 2022.

### Background

Councillor Stephen Russell submitted a Notice of Motion in relation to the creation of a vehicle parking cash-in-lieu register at the Council Meeting held on 26 October 2021. The reasons for the Notice of Motion are as follows:

*As background, the latest parking cash-in-lieu provisions are outlined in Planning and Development (Local Planning Schemes) Regulations 2015, Schedule 2 Part 9A "Provisions about car parking". All cash-in-lieu funds should be held within the Parking Reserve.*

*The reasons for the motion are as follows:*

1. *In accordance with the 2021/2022 budget the Parking Reserve has an opening balance of \$249,916. This is considered a considerable sum of proceeds from developments and therefore the community should be able to understand its makeup via a parking cash-in-lieu register. Unfortunately, there is no single source register that the community can publicly refer to make this understanding.*
2. *It is considered that the community as a minimum would wish to understand for each applicable approved DA the elements as noted in item (1). Critical to the community's understanding is the where, how & sum of the funds expended by the City to alleviate the parking shortfall per development. Only then can the community have a transparent method to ensure that the cash in-lieu provision are being effectively used to genuinely alleviate parking demand.*
3. *It is considered a natural fit that this register be easily visible to the community via the City's website within the "Development" section.*
4. *The requirement of the City to implement a Payment in Lieu of Parking Plan does not negate the requirement of this register, as this register is to specifically aid the public interest.*

### Comment

The Planning Regulation Amendment Regulations 2020 were gazetted on 18 December 2020, introducing amendments to the Planning and Development (Local

Planning Schemes) Regulations 2015 (the Regulations). These amendments have made various improvements to local planning processes and have been introduced in two stages.

On 1 July 2021, the second stage (Part 9A) of regulatory changes relating to car parking provision in developments took effect.

These provisions included parking exemptions for certain types of development and a standard and consistent approach to car parking variations, waivers, cash in lieu and shared parking. A transitional arrangement of two years was introduced for local governments to put in place a Payment in Lieu of Parking Plan, however during this period local governments are still required to apply the method(s) used to calculate the Reasonable Estimate of Costs for Payment in Lieu of Parking approved by the Western Australian Planning Commission.

The Department of Local Government, Sport and Cultural Industries (DLGSC) is currently inviting comments from local governments to inform implementation of proposed reforms. The feedback received will inform the drafting of legislation. One of the proposed reforms is that an online register be kept on the LG website of applicant contributions such as cash-in-lieu for public open space and car parking. Regulations would prescribe the information to be included.

In view of possible future LG legislation, the recent changes to the Planning Regulations, and the requirements for local governments to keep records of income and expenditure, it is considered appropriate for the purposes of transparency that a register be available via the City's website. The content of the register may be amended when LG Regulations are developed in the future.

### **Consultation**

Nil.

### **Policy and Legislative Implications**

Planning and Development (Local Planning Schemes) Regulations 2015  
Policy P315 Car Parking Reductions for Non-Residential Development

### **Financial Implications**

Nil.

### **Strategic Implications**

This matter relates to the following Strategic Direction identified within Council's [Strategic Community Plan 2020-2030](#):

Strategic Direction:	Leadership
Aspiration:	A visionary and influential local government
Outcome:	4.3 Good governance
Strategy:	4.3.1 Foster effective governance through quality decision-making

### **Suggested Alternative Recommendation**

That Council request the Chief Executive Officer to:

1. Develop a vehicle parking cash-in-lieu register or other similar instrument that shall as a minimum detail the following for each applicable development:
  - a. The City's Development Application (DA) reference number,
  - b. Where applicable, the Development Assessment Panel's (DAP) file number,
  - c. The DA address,
  - d. The DA planning approval date,
  - e. Where applicable, the date that the cash-in-lieu of parking condition became active,
  - f. The parking shortfall number,
  - g. The cash-in-lieu funds,
  - h. Where funds have been expended, the details of the where, the how and the sum of the cash-in-lieu funds that were expended to satisfy the condition,
  - i. The sum of any additional City funds expended to support the cash-in-lieu funds.
2. The register noted in (1) shall be inclusive of all current DA's (from the date the webpage is created) where a cash-in-lieu condition is applicable
3. The register noted in (1) shall be visible to the public via the Development Applications webpage as a separate linked stand-alone webpage.
4. The period for the update of the register as noted in (1) shall be at the discretion of the City but shall not exceed 6 months.
5. Items (1), (2) and (3) shall be implemented by end of December 2021.
6. Establishes a new reserve called The Payment in Lieu of Parking Reserve.

### Reason for Alternative Recommendation

In order for the information that appears on the City's website to be clear and precise, it is considered appropriate to provide details of development approvals for which parking cash-in-lieu payments have been made from the date the webpage is created onwards. This also allows for the webpage and information held thereon to be available to the public at an earlier date than March 2022.

Given that the Financial Administration clause of the Regulations (Clause 77 (1)) requires a Reserve Account to be established for money collected under the Payment in Lieu of Parking Plan (The Plan), it is recommended that the City establish a new reserve titled The Payment in Lieu of Parking Plan Reserve. The purpose of this Reserve being to hold all monies received for payment in lieu of parking to be used for the provision of parking in the areas covered by the Plan.

It should be noted that the balance of the City's current Parking Facility Reserve \$202,680 (at the end of October 2021) predominantly consists of municipal funds to be used primarily for upgrading parking facilities within the City and may be used for short term liquidity requirements if required. The proposed new Reserve will only contain cash in lieu of parking contributions made subsequent to this resolution of Council levied in accordance with Clauses 77H and 77G of the Regulations.

### **Attachments**

Nil.

## 12.2 NOTICE OF MOTION - COUNCILLOR ANDRÉ BRENDER-A-BRANDIS - MINI GOLF COLLIER PARK - RETURN ON ASSET INVESTMENT REPORTING

Location:	Not Applicable
Ward:	Not Applicable
Applicant:	Not Applicable
File Ref:	D-21-90627
Meeting Date:	14 December 2021
Author(s):	Abrie Lacock, Manager Finance
Reporting Officer(s):	Garry Adams, Director Corporate Services
Strategic Direction:	Leadership: A visionary and influential local government
Council Strategy:	4.3 Good Governance

### Summary

Councillor André Brender-A-Brandis submitted the following Notice of Motion prior to the Council Meeting held 23 November 2021.

### Notice of Motion Recommendation (Suggested Alternative Recommendation page 80)

That the Collier Park Golf Course Mini Golf Facility (Facility) investment be reported separately within the monthly Financial Reports, including the following to ensure transparency and accountability for disclosing the return on this investment, as follows;

1. Reporting Actual Revenue (the City's portion) and Operating Expenditure (including non-cash expenditure, e.g. depreciation) associated with the Facility for the;
  - a. Current reported month,
  - b. Year-to-date amount and
  - c. Prior year total amount.
2. Reporting Capital Expenditure and balances;
  - a. The gross amount of the total capital cost in creating the Facility,
  - b. Annual depreciation charges and
  - c. Net carrying value after depreciation charges.
3. Reporting the business case financial assumptions for the investment decision on which to base the financial scenarios for the Facility comprising of:
  - a. Annual estimated revenue for each year and the forward estimates (out years) to achieve payback of this investment,
  - b. Capital costs of construction and
  - c. Operating cost (including depreciation) assumptions.
4. Reporting the return of revenue to the Major Community Facilities Reserve for the:

- a. Current reported month,
- b. Year-to-date amount and
- c. Prior year total amounts.

### **Reasons for the Motion:**

Councillor André Brender-A-Brandis submitted a Notice of Motion regarding financial governance to provide transparency and accountability for reporting the return on the Collier Park Golf Course Mini Golf facility investment. The reasons for the motion given are as follows:

1. Mini Golf was to attract new patrons using the facilities, resulting in additional diversified income streams for the City. This included increased patronage as this facility was to attract a diverse range of users, of all ages, an increased female participation, tourists, Curtin University students and to regularly host corporate events and accommodate family functions. Mini Golf was designed to broaden the Community appeal and supported outcomes of the Strategic Community Plan.
2. Financial consideration and the return on this investment were given consideration as part of the final investment decision approved by Council in XXX. Financial consideration for this investment included, the capital construction cost, the City's annual revenue, operating costs (both cash and non-cash) and a maximum payback period. Financial governance and the financial viability of this investment was a major consideration in the decision-making process.
3. In March 2020, Council approved \$2 million to be added to the 2019/2020 Capital Budget, for the acquisition of the Collier Park Golf Course Mini Golf facility, to be funded from the Major Community Facilities Reserve, noting that any funds not expended will remain in the Major Communities Facilities Reserve. It was also noted that when the Collier Park Golf Course Mini Golf commences operations, the revenue derived will be placed in the Major Community Facilities Reserve, until the capital cost has been repaid.
4. Accountability and transparency on the return on this investment were committed to ensure good financial governance. Disclosure of the return on this investment, revenue derived and the returning of these funds to the Major Community Facilities Reserve, until the capital cost has been repaid is required for transparency and accountability.
5. Monthly Financial Reports contain this information in consolidated amounts, but are not separate or transparent, and do not provide sufficient detail to assess the financial performance of the Mini Golf Facility.

### **Comment**

This Notice of Motion is not supported and an alternative recommendation provided below.

#### Reason for Alternative Recommendation

Every month Council is presented with monthly Financial Statements to enable it to discharge its financial oversight function.

The monthly Financial Statements are prepared in accordance with the requirements of the *Local Government Act 1995* and Local Government (Financial Management) Regulations 1996.

Regulation 34(1) of the Local Government (Financial Management) Regulations 1996, requires each local government to present a Statement of Financial Activity reporting on income and expenditure as set out in the annual budget.

The purpose of the monthly reports is to assist management and Council to determine if the City are on plan (budget) or if there is some variation that needs to be attended to during e.g. midyear review process. Overall budget allocation are adopted by Council at strategic level, to enable Council to exercise its strategic oversight function.

The budget for Mini Golf was set within the perimeters of the business plan, approved by Council at the Ordinary Council Meeting of 24 March 2020, and is included in Collier Park Golf Course (CPGC) management budget adopted as part of the 2020/21 and 2021/22 Budgets. Monthly reports are usually prepared between 2-5 days following the end of the month, in order to meet internal reporting deadlines to ensure timely report preparation for the first Council Agenda Briefing and the Ordinary Council Meeting following the month end.

To report the results of the Mini Golf Facility separately within the monthly Financial Reports would require additional manual processes to extract the data and would provide little additional benefit to Council in terms of its financial oversight function.

In implementing the chart and ledger structure for the new 1System implementation in late 2018, management (financial) made it clear that there was no need to report at the level now being requested. Extracting the required information will therefore require drilling down and reporting into what was then described as minutia, thus requiring additional manual effort on a monthly basis.

Additionally, management of the CPGC was awarded by Council to Clublinks Management Pty Ltd (Clublinks) following a tender process, facilitating a Course Controller Agreement and Lease of Buildings at the CPGC. This agreement includes the Mini Golf and as such Clublinks (overseen by City management) are responsible for the day-to-day operating performance of the Golf Course, including the Mini Golf. This means that the first books of entry for the Mini Golf operating transactions are those of Clublinks. Because of this there is always a lag in the City obtaining the confirmed final figures relating to CPGC (not meeting this City's 2-5 day report preparation timeframe for monthly reporting purposes). Typically these figures require adjustment as part of the year end process. Final figures once adjusted for year end adjustments will provide the most reliable representation of performance.

It should also be noted that the performance of the golf course (including mini golf) is weather dependent meaning that a month of rain or extreme heat will significantly effect performance as will timing of school holidays, easter and other events. This makes monthly reporting at such a low level of little value.

Commentary on an annual basis, concerning actual performance with reference to annual revenue, annual net operating benefit, estimated payback period and capital cost of construction against the figures made public in the business case approved by Council at its Ordinary Council Meeting of 24 March 2020, will enable the whole picture to be presented to Council at one time, together with a full analysis of any variations from budget.

The suggested alternative recommendation, seeks to use the limited available resources to provide the most accurate and useful financial information to Council in performing its financial oversight function.

### **Policy and Legislative Implications**

Monthly reporting is in accordance with the requirements of the Section 6.4 of the Local Government Act 1995 and regulation 34 of the Local Government (Financial Management) Regulations 1996.

### **Financial Implications**

The preparation of the monthly financial reports occurs from the resources provided in the annual budget.

### **Strategic Implications**

This matter relates to the following Strategic Direction identified within Council's [Strategic Community Plan 2020-2030](#):

Strategic Direction:	Leadership
Aspiration:	A visionary and influential local government
Outcome:	4.3 Good governance
Strategy:	4.3.1 Foster effective governance through quality decision-making

### **Suggested Alternative Recommendation**

That the Collier Park Golf Course Mini Golf Facility (Facility) investment be reported separately on an annual basis as part of the financial year end process, including the following to ensure transparency and accountability for disclosing the return on this investment, as follows:

1. Reporting Actual Revenue (the City's portion) and Operating Expenditure (including non-cash expenditure, e.g. depreciation) associated with the Facility for the:
  - a. Current year budget,
  - b. Current year actual,
  - c. Prior year actual
2. Reporting Capital Expenditure and balances
  - a. The gross amount of the total capital cost in creating the Facility,
  - b. Accumulated annual depreciation charges and
  - c. Net carrying value after depreciation charges;



3. Reporting the return of revenue to the Major Community Facilities Reserve for the:
  - a. Current year budget,
  - b. Current year actual,
  - c. Prior year actual.
4. Provide commentary on performance against business case approved by Council at the Ordinary Council Meeting 24 March 2020 addressing:
  - a. Annual revenue,
  - b. Annual net operating benefit (including depreciation),
  - c. Estimated payback period,
  - d. Capital cost of construction.

### **Attachments**

Nil.

### 12.3 NOTICE OF MOTION - COUNCILLOR ANDRÉ BRENDER-A-BRANDIS - COLLIER PARK VILLAGE - RESIDENTS' LOAN OFFSET RESERVE UNFUNDED SHORTFALL AND LEASEHOLD LIABILITY

Location:	Not Applicable
Ward:	Not Applicable
Applicant:	Not Applicable
File Ref:	D-21-90629
Meeting Date:	14 December 2021
Author(s):	Garry Adams, Director Corporate Services
Reporting Officer(s):	Garry Adams, Director Corporate Services
Strategic Direction:	Leadership: A visionary and influential local government
Council Strategy:	4.3 Good Governance

#### Summary

Councillor André Brender-A-Brandis submitted the following amended Notice of Motion prior to the December 2021 Council Agenda Briefing.

#### Notice of Motion Recommendation (Suggested Alternative Recommendation page 88)

That the Collier Park Village (CPV) Resident's Loan Offset Reserve (Reserve) with a shortfall of \$6.1 million (as at 30 June 2021) compared to the CPV Residents' Leasehold Liability (Liability), be reviewed by the Administration with the following being undertaken:

1. The CPV Reserve unfunded shortfall for the CPV Residents' Leasehold Liability be added to the City's Risk Register and be referred to the Audit Risk and Governance Committee, and
2. The Administration report back and present to the Audit Risk and Governance Committee at the first Committee Meeting to be held in 2022 on the following;
  - a. A risk assessment on the CPV Reserve shortfall,
  - b. A repayment program, drafted for Council's approval, to eliminate the current \$6.1 million CPV Reserve funding shortfall,
  - c. Confirm the legal authority the City has to use Reserve funds for purposes other than to be held as quarantined reserve funds for aged residents,
  - d. Advise why funds used from the CPV Reserve to support the City's short-term liquidity requirements weren't *returned as soon as possible*, to the Reserve,
  - e. Provide details as to the purpose the CPV Reserve funds were applied and used for and
  - f. Issues an *erratum*, to correct the error contained in the 30 June 2009 Financial Statements, for the comparative year (30 June 2008) for the Reserves Note for the Collier Park Village Loan Offset Reserve, which has incorrectly disclosed *Transfers to Retained Surplus* and

the *Closing Balance (30 June 2008)* of \$809,614, which should be \$8,096,147.

## Background

Prior to the November Ordinary Council Meeting, Councillor André Brender-A-Brandis submitted the following Notice of Motion which was included in the minutes of that meeting:

### *Notice of Motion Recommendation*

*That the Collier Park Village (CPV) Resident's Loan Offset Reserve (Reserve) with a shortfall of \$6.5 million (as at 30 June 2021) compared to the CPV Residents' Leasehold Liability (Liability), be reviewed by the Administration with the following being undertaken:*

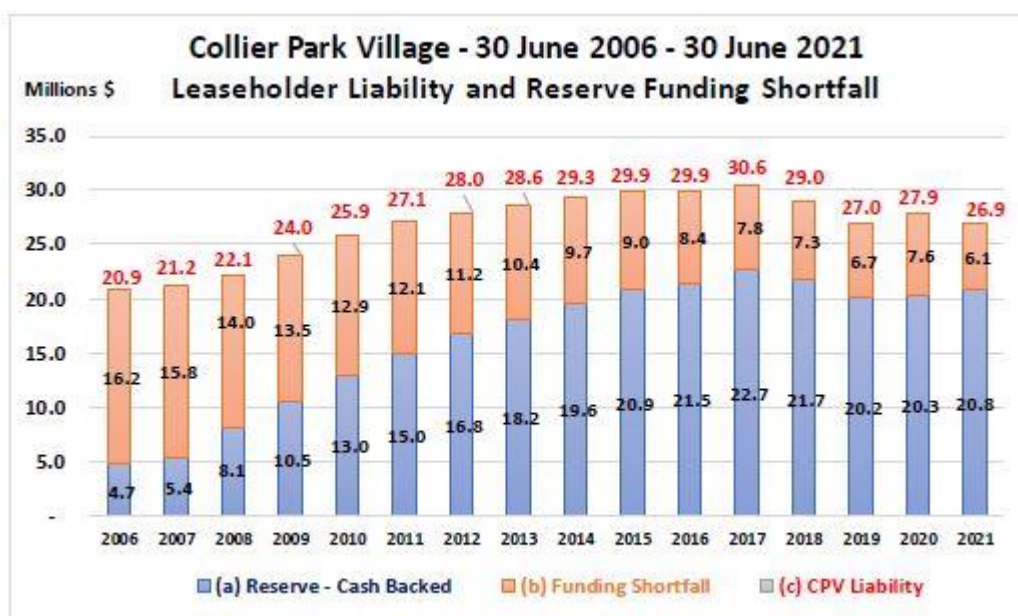
1. *The CPV Reserve unfunded shortfall for the CPV Residents' Leasehold Liability be added to the City's Risk Register and be referred to the Audit Risk and Governance Committee, and*
2. *The Administration report back and present to the Audit Risk and Governance Committee at the first Committee Meeting held in 2022 on the following;*
  - a. *A risk assessment on the CPV Reserve shortfall,*
  - b. *A repayment program, drafted for Council's approval, to eliminate the current \$6.5 million CPV Reserve funding shortfall,*
  - c. *Confirm the legal authority the City has to use Reserve funds for purposes other than to be held as quarantined reserve funds for aged residents,*
  - d. *Advise why funds used from the CPV Reserve to support the City's short-term liquidity requirements weren't returned as soon as possible, to the Reserve, and*
  - e. *Specifically provide details and the approval authority for the 2007/08 year \$15.287 million transfer from the CPV Reserve to the Retained Surplus.*

After discussions with the City's administration, Councillor André Brender-A-Brandis amended his Notice of Motion for the December Council Agenda Briefing and reasoning as below:

Councillor André Brender-A-Brandis submitted a Notice of Motion regarding an ongoing unfunded shortfall in the Collier Park Village – Residents' Loan Offset Reserve in comparison to the Residents' Leasehold Liability. The reasons for the amended motion given are as follows:

1. The Loan Offset Reserve is a pool of money held by the City. Residents pay funds into the Reserve at the time they enter into an accommodation lease at Collier Park Village. The City has an obligation to hold these funds until the lease is relinquished and these funds are returned to the leaseholder. These funds are required to be quarantined in a cash-backed reserve maintained exclusively for this purpose. The process is similar to a bond a tenant would pay when commencing a rental lease of a house.

2. The CPV Leaseholder Liability is the amount of money the City currently owes to all leaseholders. This Liability currently exceeds the total balance of funds held within the Reserve. At 30 June 2021, the Liability was \$26.9 million, the cash Reserves were \$20.9 million. Therefore, the City currently had a shortfall of \$6.1 million.
3. The City has a morale duty to ensure the Reserve is funded appropriately to meet the Liability. This Liability is owed to aged, retired leaseholders, who are residents of our City. In my opinion, not assessing this risk, failing to implement a strategy to mitigate funding shortfalls in the future and to not fully fund the shortfall has reputation risk for the Council, as this is not acting in the best interests of those most vulnerable in our society.
4. The shortfall in the CPV Reserve has existed since at least 2006. Reserve funds have been applied for purposes which are not transparent in the reviewing the past fifteen years of audited Financial Statements and have not been repaid in full to the CVP Residents' Offset Reserve.
5. The City has obtained the use of funds, belonging to CPV leaseholder residents, to undertake City operational and/or capital works. This indicates the City has not adequately provided for these costs or raised funds through its own sources (including prior annual Budget processes) to repay the funds used, belonging to retired CVP leaseholders.
6. The Financial Statements note, funds in the Reserve can be used to fund the City's short-term liquidity requirements should the operational need arise. However, the Financial Statements further note that funds utilised in this "*manner must be returned as soon as possible*".
7. To ensure good financial governance, a strategy to address this liability funding shortfall should be established and to mitigate this situation arising in the future with significant Reserve funds not being fully repaid for many years. This will provide residents of the Collier Park Village and their families confidence their funds, entrusted to the City, are being appropriately managed, have been quarantined and good financial governance processes exist.
8. Council has a fiduciary responsibility to act in the best interests of the City, its residents and ratepayers. The CVP Leaseholder Liability represents a genuine liability and a fiduciary risk for Council. The CVP Reserve is identified as a cash backed and quarantined reserve, similar to a bond paid by a tenant on a rental property, where the bond is lodged securely with the Bond Administrator. Being quarantined implies the Reserve funds are restricted and are to be held for a specific purpose, being for the leaseholder residents.
9. The cash backed shortfall has reduced over the past sixteen years, but the shortfall has not been eliminated over this extensive period. The graph below provides an illustration for each year of the; CPV Reserve value, Liability value and the cash funding shortfall, as follows;
  - a. The CPV Reserve amount (cash backed funding) – lower blue shaded part of the bars,
  - b. Unfunded Reserve amount (funding shortfall) – upper red shaded part of the bars, and
  - c. CVP Liability amount – the red numbers at the top of bars.



### Comment

It is noted that since this Notice of Motion was first put forward, the Director Corporate Services alerted Councillor Brender-A-Brandis to an error in the figures detailed above. There was no transfer of \$15.27 million from this Reserve at any time during the period under review and the balance of the Reserve as at 30 June 2008 was in fact \$8,096,147 as per the adopted 2007/08 annual financial statements. It is noted that Councillor Brender-A-Brandis had taken his initial figure from the (2008) comparative column of the online 2008/09 annual financial statements which contains a formatting error that has resulted in incorrect figures being shown for this Reserve.

It should be noted that the amounts shown in the actual 2008 Annual Financial Statements are correct and as audited.

This Motion is not supported for the following reasons:

1. It pre-empted the outcome of work already being conducted with Ansell Strategic and the Residents Committee of Collier Park Retirement Village in relation to the future options for the Collier Park Retirement Village. The results of this work will be reported back to Council in the second quarter of the next calendar year via a Council briefing/workshop. Such a workshop will enable elected members to fully understand the requirements of operating a retirement village in a contemporary environment prior to making any decisions.
2. Up until the 2015/16 financial year, none of the amount expected to be paid out to exiting residents in the next 12 months was reported as a Current Liability. The entire liability was reported as a Non-Current Liability. A change in accounting practice now means the whole liability is reported as current even though there is no real likelihood of the whole liability becoming due in the next 12 months. This is because the City does not have the right to defer the refund to an individual lease holder beyond one year and there is no certainty as to which individual leaseholders may terminate.

However, for budgeting purposes the City uses a five-year rolling average of the number of vacated units and applies that to the overall obligation to determine the amount payable in the next 12 months.

3. Section 6.11 of the *Local Government Act 1995* prescribes how a local government is to establish and use Reserve accounts. Council is required to determine the purpose or proposed use of the money in each reserve either at budget adoption or by Council resolution during the year. Funds can only be used in manner as approved by decision of Council.
4. The purpose of the Collier Park Village Loan Offset Reserve as adopted by Council in the 2021/22 budget papers is to partially cash back the loan liability as stated below:

*“This reserve was established to **partially** cash back the loan liability due to residents on departing the village complex. The reserve is funded by the premium on the difference between the sale price of the units in the village to the ingoing resident and the amount of the refund to the departing resident. Funds in the reserve are maintained at an appropriate level to ensure that the draw of funds by departing residents in any given year is fully cash backed and available on demand. Funds in the reserve can be used to fund the City's short term liquidity requirements should the operational need arise, funds utilised in this manner must be returned as soon as possible”.*

At present, the balance of the Reserve meets approximately 76% of the total liability meaning that there is enough liquidity to fund the exit of 76% of lease for life residents at any one time, therefore there is no apparent shortfall in this reserve that represents reputational risk to Council. In fact, as illustrated at point 6 below the City's management of this reserve exceeds industry standards and practice. The City is therefore effectively discharging its responsibilities to residents.

5. At present the transfers to and from the Collier Park Village Loan Offset Reserve relate only to the amounts paid by incoming residents and interest on investments (Transfers from Retained Surplus) and those paid to outgoing residents on termination of the lease agreement (Transfers to Retained Surplus). In the most current financial statements, the terminology used is “Transfers In” which includes the interest and “Funds Applied”. Application of reserve funds is as per adopted budget and/or Council resolution in compliance with the *Local Government Act 1995* as such the year on year application of funds is transparent. No funds have been used for City operational or Capital Works purposes.
6. The only financially sound reason for fully cash backing the liability of all residents would be if the expectation was that all residents would leave at the same time (ie the village was closed down). It should be noted that the approval of the Supreme Court is required to terminate a Retirement Village Scheme whilst residents continue to occupy in accordance with their agreements, therefore the risk and or likelihood of such an event is very low.
7. There is no statutory requirement for a village operator to hold funds in reserve or to be quarantined. Unlike the bonds paid for residential tenancies, these funds are not required to be held in trust and the process is governed by the residence agreement made in compliance with the *Retirement Villages Act 1992*.

Operators within the Retirement Village Industry would not hold Reserves in the same way as the City, as this would seriously affect their ability to operate in a financially viable manner. In testing this with an industry expert (Cam Ansell of Ansell Strategic), the following response was received:

*“There is no requirement to cash back your resident debt – the money is usually used to retire bank debt accrued in construction. Put another way, most villages have the resident loans invested in the bricks and mortar of their units.*

*You need only retain sufficient cash to repay residents when they leave. In most cases, this really just involves replacing one resident ingoing with an outgoing from another.”*

8. There is no statutory or contractual requirement for the City to operate the Collier Park Village Loan Offset Reserve as the retirement village operating model works on cash flow being generated by the sale of units (new leases) at the termination of existing leases (as articulated by the industry expert Cam Ansell above). Each residence agreement details the obligations of the City regarding the return funds (after exit fees are applied) to outgoing residents within a prescribed period or after settlement of the new lease to the ingoing resident.
9. As the village operator, (under the *Retirement Villages Act 1992*) the City operates the Collier Park Village Reserve, which accumulates the lease premium and refurbishment levy paid by ingoing residents of the Village. Capital purchases and refurbishments are funded from this Reserve. As at the 30 June 2021 this Reserve had a balance of \$918k.
10. During the 2020/21 budget adoption process, the City realised that the uncertain impacts of the COVID-19 Pandemic could potentially create short term liquidity problems for the City. At this time, Council added the following statement to each of its cash backed reserves:  

“Funds in the reserve can be used to fund the short-term liquidity requirements should the operational need arise, funds utilised in this manner must be returned as soon as possible.”

Given the uncertainty of the Pandemic into the current financial year, this statement remains in stated purpose of each reserve as adopted in the 2021/22 budget. It is intended that Council will be asked to remove this from the purpose of all reserves once the uncertainty of the Pandemic has passed.

Since receiving this Notice of Motion and after having provided advice to Councillor Brender-A-Brandis regarding errors in the figure upon which the initial motion was based, an amended motion has been proposed. The information above is also relevant to the amended motion. The amended motion now also correctly reflects a gap of \$6.1m as opposed to the initial stated gap of \$6.5m as at the 30 June 2021.

In relation to the addition of part (f) to the amended motion:

“Issues an *erratum*, to correct the error contained in the 30 June 2009 Financial Statements, for the comparative year (30 June 2008) for the Reserves Note for the Collier Park Village Loan Offset Reserve, which has incorrectly disclosed *Transfers to Retained Surplus* and the *Closing Balance (30 June 2008)* of \$809,614, which should be \$8,096,147.”

It should be noted that there is no procedure to do this (ie amend comparative figures from 12 years ago), and it would achieve very little as the actual figures detailed in the 2008 Annual Financial Statements are correct as are the actual figures for the 2009 year - and this would in most instances, be where users would search for financial information relevant for those years.

### **Consultation**

Nil.

### **Policy and Legislative Implications**

*Retirement Villages Act 1992*

*Local Government Act 1995* section 6.11

*Policy P610 Collier Park Village – Financial Arrangements*

### **Financial Implications**

If the motion was successful, \$6.1 million of City funds would need to be diverted from other uses to fully cash back the Collier Park Residents Offset Reserve.

### **Strategic Implications**

This matter relates to the following Strategic Direction identified within Council's [Strategic Community Plan 2020-2030](#):

Strategic Direction:	Leadership
Aspiration:	A visionary and influential local government
Outcome:	4.3 Good governance
Strategy:	4.3.1 Foster effective governance through quality decision-making

### **Suggested Alternative Recommendation**

This motion is not supported for the reasons outlined above. No alternative motion is suggested as it is recommended that no decisions are made regarding Collier Park Village until after the review work has been completed, presented to the Residents and Council has been appropriately briefed.

### **Attachments**

Nil.



**13. QUESTIONS FROM MEMBERS**

*Responses to questions from members taken on notice at the November 2021 Ordinary Council Meeting can be found in the Appendix of this Agenda.*

**14. NEW BUSINESS OF AN URGENT NATURE INTRODUCED BY DECISION OF MEETING**

## 15. MEETING CLOSED TO THE PUBLIC

*The Chief Executive Officer advises that there is a matter for discussion on the Agenda for which the meeting may be closed to the public, in accordance with section 5.23(2) of the Local Government Act 1995.*

### 15.1 MATTERS FOR WHICH THE MEETING MAY BE CLOSED

#### Officer Recommendation

That the following Agenda Item be considered in closed session, in accordance with s5.23(2) of the Local Government Act 1995:

- Item 15.1.1 Councillor Code of Conduct

#### 15.1.1 Councillor Code of Conduct

*This item is considered **confidential** in accordance with section 5.23(2)(b) of the Local Government Act 1995 as it contains information relating to "the personal affairs of any person"*

Location:	Not Applicable
Ward:	Not Applicable
Applicant:	Not Applicable
File Ref:	D-21-90178
Meeting Date:	14 December 2021
Author(s):	Mike Bradford, Chief Executive Officer
Reporting Officer(s):	Mike Bradford, Chief Executive Officer
Strategic Direction:	Leadership: A visionary and influential local government
Council Strategy:	4.3 Good Governance

16. CLOSURE



## APPENDIX

### 13.1 QUESTIONS FROM MEMBERS taken on notice OCM 23 November 2021

Councillor Mary Choy	Response provided by Patrick Quigley – Manager Community Culture and Recreation
1. Can Councillors please receive an update on the status of the City’s new Play Space plan?	The Play Space Plan is in a preliminary draft stage. The final draft should be completed next month and distributed to staff for feedback. A copy should be ready for presentation to EMT in January/February 2022.