



MINUTES

Council Meeting

Tuesday, 16 April 2019 at 6.30pm

Disclaimer

Whilst Council has the power to resolve such items and may in fact, appear to have done so at the meeting, no person should rely on or act on the basis of such decision or on any advice or information provided by a member or officer, or on the content of any discussion occurring, during the course of the meeting.

Persons should be aware that the provisions of the Local Government Act 1995 (section 5.25 I) establish procedures for revocation or rescission of a Council decision. No person should rely on the decisions made by Council until formal advice of the Council decision is received by that person.

The Town of East Fremantle expressly disclaims liability for any loss or damage suffered by any person as a result of relying on or acting on the basis of any resolution of Council, or any advice or information provided by a member or officer, or the content of any discussion occurring, during the course of the Council meeting.

Copyright

The Town wishes to advise that any plans or documents contained within the Minutes may be subject to copyright law provisions (Copyright Act 1968, as amended) and that the express permission of the copyright owner(s) should be sought prior to their reproduction. The Town wishes to advise that any plans or documents contained within this Agenda may be subject to copyright law provisions (Copyright Act 1968, as amended) and that the express permission of the copyright owner(s) should be sought prior to their reproduction.

CONTENTS

1.	OFFICIAL OPENING	1
2.	ACKNOWLEDGEMENT OF COUNTRY	1
3.	RECORD OF ATTENDANCE	1
3.1	Attendance	1
3.2	Apologies	1
3.3	Approved	1
4.	DISCLOSURES OF INTEREST	1
4.1	Financial	1
4.2	Proximity	1
4.3	Impartiality	1
5.	PUBLIC QUESTION TIME	2
5.1	Responses to previous questions from members of the public taken on notice	2
5.2	Public Question Time	2
6.	PRESENTATIONS/DEPUTATIONS	2
6.1	Presentations	2
6.2	Deputations	2
7.	APPLICATIONS FOR LEAVE OF ABSENCE	2
8.	CONFIRMATION OF MINUTES OF PREVIOUS MEETING	2
8.1	Meeting of Council (19 March 2019)	2
9.	ANNOUNCEMENTS BY THE PRESIDING MEMBER	2
10.	UNRESOLVED BUSINESS FROM PREVIOUS MEETINGS	2
11.	REPORTS AND RECOMMENDATIONS OF COMMITTEES	2
12.	REPORTS	3
12.1	PLANNING REPORTS	3
12.1.1	Canning Highway No 45 (Lot 1) Proposed signage	3
12.1.2	Petra Street No 151 (Lot 32) Ground floor residential extension	10
12.1.3	Gordon Street No 11 (Lot 699) Installation of sea container as an outbuilding	15
12.2	FINANCE REPORTS	22
12.2.1	Monthly Financial Report (Containing the Statement of Financial Activity) – March 2019	22
12.2.2	Accounts for Payment – March 2019	29
12.2.3	2019/20 Differential General Rates and Minimum Payments	32
12.2.4	Endorsement of Strategic Resourcing Plan (Combined Asset Management and Long Term Financial Planning)	37

12.2.5	Town Hall Art Acquisition and Collection – Recommendations from Public Art Panel	42
13.	MOTIONS OF WHICH PREVIOUS NOTICE HAS BEEN GIVEN	45
14.	NOTICE OF MOTION FOR CONSIDERATION AT THE NEXT MEETING	45
15.	QUESTIONS BY MEMBERS OF WHICH DUE NOTICE HAS BEEN GIVEN	45
16.	NEW BUSINESS OF AN URGENT NATURE	45
17.	MATTERS BEHIND CLOSED DOORS	45
18.	CLOSURE	45

MINUTES OF THE ORDINARY MEETING OF COUNCIL HELD IN THE COUNCIL CHAMBER, 135 CANNING HIGHWAY EAST FREMANTLE ON TUESDAY, 16 APRIL 2019.

1. OFFICIAL OPENING

The Presiding Member opened the meeting at 6.30pm

2. ACKNOWLEDGEMENT OF COUNTRY

"On behalf of the Council I would like to acknowledge the Nyoongar people as the traditional custodians of the land on which this meeting is taking place."

3. RECORD OF ATTENDANCE

3.1 Attendance

The following members were in attendance:

Mayor J O'Neill	Presiding Member
Cr J Harrington	
Cr M Collinson	
Cr A McPhail	
Cr M McPhail	
Cr D Nardi	
Cr A Natale	
Cr T Watkins	
Cr A White	

The following staff were in attendance:

Mr G Tuffin	Chief Executive Officer
Mr P Kocian	Executive Manager Corporate Services
Mr A Malone	Executive Manager Regulatory Services
Ms P Pietersen	Acting Operations Manager
Ms J May	Minute Secretary

There were five members of the public in attendance.

3.2 Apologies

Nil.

3.3 Approved

Nil.

4. DISCLOSURES OF INTEREST

4.1 Financial

Nil.

4.2 Proximity

Nil.

4.3 Impartiality

4.3.1 Cr Natale – Item 12.1.3 - 11 Gordon Street
(Refer Page 15)

5. PUBLIC QUESTION TIME

5.1 Responses to previous questions from members of the public taken on notice
Nil.

5.2 Public Question Time
Nil.

6. PRESENTATIONS/DEPUTATIONS

6.1 Presentations
Nil.

6.2 Deputations

6.2.1 12.1.3 Gordon Street No 11 (Lot 699)

Mr Musulin (owner) addressed the meeting seeking approval for the retention of the sea container at 11 Gordon Street.

7. APPLICATIONS FOR LEAVE OF ABSENCE
Nil.

8. CONFIRMATION OF MINUTES OF PREVIOUS MEETING

8.1 Meeting of Council (19 March 2019)

8.1 OFFICER RECOMMENDATION

Moved Cr Nardi, seconded Cr A McPhail

That the minutes of the Ordinary meeting of Council held on Tuesday, 19 March 2019 be confirmed as a true and correct record of proceedings.

(CARRIED UNANIMOUSLY)

9. ANNOUNCEMENTS BY THE PRESIDING MEMBER
Nil.

10. UNRESOLVED BUSINESS FROM PREVIOUS MEETINGS
Nil.

11. REPORTS AND RECOMMENDATIONS OF COMMITTEES
Nil.

12. REPORTS

12.1 PLANNING REPORTS

12.1.1 Canning Highway No 45 (Lot 1) Proposed signage

Owner	Ajay and Carolyn Tandon
Applicant	Redback Building Pty Ltd
File ref	P010/19; CAN45
Prepared by	James Bannerman Planning Officer
Supervised by	Andrew Malone, Executive Manager Regulatory Services
Meeting date	16 April 2019
Voting requirements	Simple Majority
Documents tabled	Nil
Attachments	Nil.

Purpose

This report considers a planning application for signage at No 45 (Lot 1) Canning Highway, East Fremantle.

Executive Summary

The applicant is seeking Council approval for the following variation:

- (i) Section 6 Appendix 1 Signage Design Guidelines - Local Planning Policy 3.1.3 – 2 wall signs rather than 1 wall sign

It is considered that the variation can be supported subject to conditions of planning approval being imposed.

Background

Zoning: Mixed Use
Site area: 685m²

Previous Decisions of Council and/or History of an Issue or Site

Building Permit 71/2401- 20 May 1992- restoration of termite infested and damaged building

Consultation

Advertising

Advertised 12 February to 26 February 2019. There was one submission from a neighbouring property.

Submission	Applicant Response	Officer Response
Along this section of Canning Highway there is no standalone business signage in keeping with the mix of business and residential streetscape. All business signage in the area is in the window or along	We understand the neighbouring comment regarding the potential street impact of the proposed signage. We wish to allay these concerns. We believe the proposed signage would have minimal impact on the streetscape and the proposed location is the best location for the following reasons: 1. The signage is quite small. 2. The signage design is clean and simple.	Comments noted.

<p>barge board/facades fitting in with the existing buildings.</p>	<p>3. The integrity of the existing building. The signage location maintains the view of the building elevation which is still in keeping with its heritage origin. We believe adding signage to the barge or verandah of this building would alter its character and charm.</p> <p>4. The signage is similar to existing signage found along Canning Highway. We believe the signage at port liquor Store (Corner of Sewell St and Canning Hwy) is larger and has greater impact on the streetscape and is within this section of Canning Highway. We believe a similar existing signage would be 158 Canning Hwy (“Modern Buddhism”) where street sign has been constructed within the street setback of an existing heritage aged building which is setback from the road. Another example of this signage type would be 169 Canning Highway (“Imperial”) We do believe our signage is necessary for the following reasons:</p> <p>5. The sign’s purpose is to indicate where the correct driveway is. This is to indicate where our clientele are to turn into. Given the proximity of the Stirling Hwy/Canning Hwy intersection this needs to be clear to prevent our customers overshooting the driveway and then having to return and turn right across the traffic to reach us.</p> <p>6. The sign will be visible from Canning Highway. The setback of the neighbouring 49 Canning Highway is well forward of the setback for 45 Canning Highway. If we were to add the signage to the front façade or windows as suggested it would be very difficult to see if the driving from an easterly direction and then have enough reaction time to stop.</p>	
--	--	--

Community Design Advisory Committee (CDAC)

The application was not referred to CDAC.

External Consultation

The application was referred to Main Roads Western Australia. Main Roads conditions for signage were included in the officer’s recommendations.

Statutory Environment

Planning and Development Act 2005

Town of East Fremantle Local Planning Scheme No. 3 (LPS No. 3)

Policy Implications

Signage Design Guidelines – Local Planning Policy 3.1.3

Financial Implications

Nil

Strategic Implications

The Town of East Fremantle Strategic Community Plan 2017 – 2027 states as follows:

Built Environment

Accessible, well planned built landscapes which are in balance with the Town's unique heritage and open spaces.

- 3.1 Facilitate sustainable growth with housing options to meet future community needs.
 - 3.1.1 Advocate for a desirable planning and community outcome for all major strategic development sites.
 - 3.1.2 Plan for a mix of inclusive diversified housing options.
- 3.2 Maintaining and enhancing the Town's character.
 - 3.2.1 Ensure appropriate planning policies to protect the Town's existing built form.
- 3.3 Plan and maintain the Town's assets to ensure they are accessible, inviting and well connected.
 - 3.3.1 Continue to improve asset management practices.
 - 3.3.2 Optimal management of assets within resource capabilities.
 - 3.3.3 Plan and advocate for improved access and connectivity.

Natural Environment

Maintaining and enhancing our River foreshore and other green, open spaces with a focus on environmental sustainability and community amenity.

- 4.1 Conserve, maintain and enhance the Town's open spaces.
 - 4.1.1 Partner with Stakeholders to actively protect, conserve and maintain the Swan River foreshore.
 - 4.1.2 Plan for improved streetscapes parks and reserves.
- 4.2 Enhance environmental values and sustainable natural resource use.
 - 4.2.1 Reduce waste through sustainable waste management practices.
- 4.3 Acknowledge the change in our climate and understand the impact of those changes.
 - 4.3.1 Improve systems and infrastructure standards to assist with mitigating climate change impacts.

Risk Implications

Risk	Risk Likelihood (based on history & with existing controls)	Risk Impact / Consequence	Risk Rating (Prior to Treatment or Control)	Principal Risk Theme	Risk Action Plan (Controls or Treatment proposed)
That Council does not approve the proposed development and the decision is appealed to SAT	Unlikely (2)	Moderate (3)	Moderate (5-9)	COMPLIANCE Minor regulatory or statutory impact	Accept Officer Recommendation

Risk Matrix

Consequence Likelihood		Insignificant	Minor	Moderate	Major	Extreme
		1	2	3	4	5
Almost Certain	5	Moderate (5)	High (10)	High (15)	Extreme (20)	Extreme (25)
Likely	4	Low (4)	Moderate (8)	High (12)	High (16)	Extreme (20)
Possible	3	Low (3)	Moderate (6)	Moderate (9)	High (12)	High (15)
Unlikely	2	Low (2)	Low (4)	Moderate (6)	Moderate (8)	High (10)
Rare	1	Low (1)	Low (2)	Low (3)	Low (4)	Moderate (5)

A risk is often specified in terms of an event or circumstance and the consequences that may flow from it. An effect may be positive, negative or a deviation from the expected and may be related to the following objectives; occupational health and safety, financial, service interruption, compliance, reputation and environment. A risk matrix has been prepared and a risk rating is provided below. Any items with a risk rating over 16 will be added to the Risk Register, and any item with a risk rating over 16 will require a specific risk treatment plan to be developed.

Risk Rating	6
Does this item need to be added to the Town's Risk Register	No
Is a Risk Treatment Plan Required	No

Site Inspection

A site inspection was undertaken.

Comment

Statutory Assessment

The proposal has been assessed against the provisions of Local Planning Scheme No. 3 and the Town's Local Planning Policies including Signage Design Guidelines Local Planning Policy 3.1.3.

The application proposes signage including two wall signs and a pylon sign at the front of the subject property. It is noted that the subject property is located on Canning Highway in a mixed use zone that is currently being used as offices by the applicant (Office use approved by Council 18 August 1986).

Sign 1- Front Wall Sign

This sign measures 0.5m in length by 0.5m high and is proposed to be mounted to the existing front retaining wall of the subject property. It has Black Slate Homes and a Parking arrow written on the sign in black print with a white background. It is a new sign. According to the LPP 3.1.3 one wall sign measuring a maximum length of 3m and maximum height of 1m is permitted. The sign is compliant with the requirements of LPP 3.1.3.

Sign 2- Side Wall Sign

This sign measures 0.5m in length by 0.5m high and is proposed to be mounted to the existing front retaining wall of the subject property. It has Black Slate Homes and a Parking arrow written on the

sign in black print with a white background. It is a new sign. According to the LPP 3.1.3 one wall sign measuring a maximum length of 3m and maximum height of 1m is permitted. Although this represents an additional wall sign in contravention of LPP 3.1.3 the sign is supported, as it is part of a sign regime for the subject property and the total measurement of the wall signs is less than the overall area permitted.

Sign 3- Pylon Sign

This sign measures 3.2m high and the total area of each sign face measures 1.44m². According to LPP 3.1.3 one pylon sign measuring 6m² per face and no more than 5m in height is permitted. In this case the sign is compliant with the requirements of LPP 3.1.3.

Conclusion

Sign 1 - Front Wall Sign is supported due to its adherence to LPP 3.1.3. Sign 2 - Side Wall Sign is supported due to its adherence to LPP 3.1.3 with the exception of it being an additional wall sign in excess of the one sign permitted by LPP 3.1.3. Sign 3 - Pylon Sign is supported due to its adherence to LPP 3.1.3.

The signage is smaller than what could potentially be proposed or has been approved previously for other sites. It is relatively unobtrusive with simple black lettering on white backgrounds for all signs. It is located where it can be seen, but does not dominate the streetscape.

Although the subject property is listed as a Category B property on the heritage list and municipal heritage inventory the signage does not affect the heritage nature of the property and is relatively unobtrusive acknowledging that:

- the building is being used as approved offices (approved 18 August 1986);
- is located in the Mixed Use zone as indicated on Local Planning Scheme No 3 Scheme map and;
- positioned along Canning Highway on the western portion of the Town in close proximity to a number of other commercial businesses.

The single variation as stated above is therefore considered acceptable and the development application is recommended for approval subject to conditions.

12.1.1 OFFICER RECOMMENDATION

That Council grant development approval and discretion is exercised in regard to the following:

- (i) Signage Design Guidelines- Local Planning Policy 3.1.3- one wall sign permitted, two wall signs provided ;

for signage to an existing building at No. 45 (Lot 1) Canning Highway, East Fremantle, in accordance with the plans date stamped received 4 February 2019, subject to the following conditions:

- (1) All signage proposed being in accordance with the correspondence, elevations and accompanying notations and plans in regard to signage dimensions, wording, materials and graphics submitted with the application and date stamped received 4 February 2019;
- (2) Compliance with Main Roads WA conditions of approval which states:
 - (a) For the signs that are illuminated , it must be of a low level not exceeding 300cd/m², and not flash, pulsate or chase during all hours;
 - (b) The signs shall not contain fluorescent, reflective colours or material; and
 - (c) Main Roads agreement is to be obtained prior to any future modification.
- (3) The signage is to be constructed in conformity with the drawings and written information accompanying the application for planning approval other than where varied in compliance with the conditions of this planning approval or with Council's further approval.

- (4) The proposed pylon signage is not to be installed until Council has received an application for a Building Permit and the Building Permit issued in compliance with the conditions of this planning approval unless otherwise amended by Council.
- (5) With regard to the plans submitted with respect to the Building Permit application, changes are not to be made in respect of the plans which have received planning approval, without those changes being specifically marked for Council's attention.
- (6) Any change to the type, design, location or illumination of the signage regime will require the submission of a new development application for Council's consideration.
- (7) All signage is to be kept clean and free of graffiti and vandalism and at all times and any such graffiti or vandalism to be remedied within 24 hours to the satisfaction of the Chief Executive Officer.
- (8) No other unauthorised signage is to be displayed.
- (9) Where this development requires that any facility or service within a street verge (street trees, footpath, crossover, light pole, drainage point or similar) is to be removed, modified or relocated then such works must be approved by Council and if approved, the total cost to be borne by the applicant. Council must act reasonably and not refuse any reasonable proposal for the removal, modification or relocation of such facilities or services (including, without limitation any works associated with the proposal) which are required by another statutory or public authority.
- (10) This planning approval to remain valid for a period of 24 months from date of this approval.

Footnote:

The following are not conditions but notes of advice to the applicant/owner:

- (i) *A copy of the approved signage as stamped by Council is attached and the specifications, graphics and wording of the signage is to conform with the approved plans unless otherwise approved by Council.*
- (ii) *All noise levels produced by the construction of the development are to comply with the provisions of the Environmental Protection (Noise) Regulations 1997 (as amended).*
- (iii) *Further to condition (2) "Night" has the same definition as that defined in s.3 pursuant to the Road Traffic (vehicles) Act 2012.*
"Night means the period between sunset on one day and sunrise on the next day."

Moved Cr Collinson, seconded Cr White
The adoption of the officer's recommendation.

Amendment

Moved Mayor O'Neill seconded Cr Harrington
That the application for the pylon sign not be approved.

(LOST 7:2)

The substantive motion was put.

12.1.1 OFFICER RECOMMENDATION/COUNCIL RESOLUTION 010419

Moved Cr Collinson, seconded Cr White

That Council grant development approval and discretion is exercised in regard to the following:

(i) Signage Design Guidelines- Local Planning Policy 3.1.3- one wall sign permitted, two wall signs provided ;

for signage to an existing building at No. 45 (Lot 1) Canning Highway, East Fremantle, in accordance with the plans date stamped received 4 February 2019, subject to the following conditions:

1. All signage proposed being in accordance with the correspondence, elevations and accompanying notations and plans in regard to signage dimensions, wording, materials and graphics submitted with the application and date stamped received 4 February 2019;
2. Compliance with Main Roads WA conditions of approval which states:
 - (a) For the signs that are illuminated , it must be of a low level not exceeding 300cd/m², and not flash, pulsate or chase during all hours;
 - (b) The signs shall not contain fluorescent, reflective colours or material; and
 - (c) Main Roads agreement is to be obtained prior to any future modification.
3. The signage is to be constructed in conformity with the drawings and written information accompanying the application for planning approval other than where varied in compliance with the conditions of this planning approval or with Council's further approval.
4. The proposed pylon signage is not to be installed until Council has received an application for a Building Permit and the Building Permit issued in compliance with the conditions of this planning approval unless otherwise amended by Council.
5. With regard to the plans submitted with respect to the Building Permit application, changes are not to be made in respect of the plans which have received planning approval, without those changes being specifically marked for Council's attention.
6. Any change to the type, design, location or illumination of the signage regime will require the submission of a new development application for Council's consideration.
7. All signage is to be kept clean and free of graffiti and vandalism and at all times and any such graffiti or vandalism to be remedied within 24 hours to the satisfaction of the Chief Executive Officer.
8. No other unauthorised signage is to be displayed.
9. Where this development requires that any facility or service within a street verge (street trees, footpath, crossover, light pole, drainage point or similar) is to be removed, modified or relocated then such works must be approved by Council and if approved, the total cost to be borne by the applicant. Council must act reasonably and not refuse any reasonable proposal for the removal, modification or relocation of such facilities or services (including, without limitation any works associated with the proposal) which are required by another statutory or public authority.
10. This planning approval to remain valid for a period of 24 months from date of this approval.

Footnote:

The following are not conditions but notes of advice to the applicant/owner:

- (i) *A copy of the approved signage as stamped by Council is attached and the specifications, graphics and wording of the signage is to conform with the approved plans unless otherwise approved by Council.*
- (ii) *All noise levels produced by the construction of the development are to comply with the provisions of the Environmental Protection (Noise) Regulations 1997 (as amended).*
- (iii) *Further to condition (2) "Night" has the same definition as that defined in s.3 pursuant to the Road Traffic (vehicles) Act 2012.*

"Night means the period between sunset on one day and sunrise on the next day."

(CARRIED UNANIMOUSLY)

12.1.2 Petra Street No 151 (Lot 32) Ground floor residential extension

Owner	Zachary and Amanda Ribbans
Applicant	Rohan White
File ref	P094/2018; P/PET151
Prepared by	James Bannerman Planning Officer
Supervised by	Andrew Malone, Executive Manager Regulatory Services
Meeting date	16 April 2019
Voting requirements	Simple Majority
Documents tabled	Nil
Attachments	Nil.

Purpose

This report considers a development application for a ground floor residential extension at No. 151 Petra Street, East Fremantle.

Executive Summary

There has been a proposed change in a previously approved development application. A new development application will be proposed for approval that has the carport removed and excludes the redundant conditions. It is proposed to remove Condition 1 that required the submission of a new development application if the carport was to be enclosed and Condition 9 that required the removal of a second crossover. Both conditions are now considered redundant based on the proposed changes that were made to the building plans that removed a carport that was originally proposed and approved in the original development application.

Background

Zoning: Residential R12.5

Site area: 911m²

Previous Decisions of Council and/or History of an Issue or Site

DA P094/18 – planning approval for ground floor residential extension

DA P046/17 - front fence 23 June 2017

Building Permit No 2863 – pool -22 September 1999

Consultation

Advertising

Nil

Community Design Advisory Committee (CDAC)

This proposal was not considered by CDAC.

Statutory Environment

Planning and Development Act 2005

Residential Design Codes of WA

Town of East Fremantle Local Planning Scheme No. 3 (LPS No. 3)

Policy Implications

Town of East Fremantle Residential Design Guidelines 2016 (as amended)

Financial Implications

Nil

Strategic Implications

The Town of East Fremantle Strategic Community Plan 2017 – 2027 states as follows:

Built Environment

Accessible, well planned built landscapes which are in balance with the Town's unique heritage and open spaces.

3.1 *Facilitate sustainable growth with housing options to meet future community needs.*

3.1.1 *Advocate for a desirable planning and community outcome for all major strategic development sites.*

3.1.2 *Plan for a mix of inclusive diversified housing options.*

3.2 *Maintaining and enhancing the Town's character.*

3.2.1 *Ensure appropriate planning policies to protect the Town's existing built form.*

3.3 *Plan and maintain the Town's assets to ensure they are accessible, inviting and well connected.*

3.3.1 *Continue to improve asset management practices.*

3.3.2 *Optimal management of assets within resource capabilities.*

3.3.3 *Plan and advocate for improved access and connectivity.*

Natural Environment

Maintaining and enhancing our River foreshore and other green, open spaces with a focus on environmental sustainability and community amenity.

4.1 *Conserve, maintain and enhance the Town's open spaces.*

4.1.1 *Partner with Stakeholders to actively protect, conserve and maintain the Swan River foreshore.*

4.1.2 *Plan for improved streetscapes parks and reserves.*

4.2 *Enhance environmental values and sustainable natural resource use.*

4.2.1 *Reduce waste through sustainable waste management practices.*

4.3 *Acknowledge the change in our climate and understand the impact of those changes.*

4.3.1 *Improve systems and infrastructure standards to assist with mitigating climate change impacts.*

Risk Implications

Risk	Risk Likelihood (based on history & with existing controls)	Risk Impact / Consequence	Risk Rating (Prior to Treatment or Control)	Principal Risk Theme	Risk Action Plan (Controls or Treatment proposed)
That Council does not approve the proposed development	Unlikely (2)	Moderate (3)	Moderate (5-9)	COMPLIANCE Minor regulatory or statutory impact	Accept Officer Recommendation

Risk Matrix

Consequence Likelihood		Insignificant	Minor	Moderate	Major	Extreme
		1	2	3	4	5
Almost Certain	5	Moderate (5)	High (10)	High (15)	Extreme (20)	Extreme (25)
Likely	4	Low (4)	Moderate (8)	High (12)	High (16)	Extreme (20)
Possible	3	Low (3)	Moderate (6)	Moderate (9)	High (12)	High (15)
Unlikely	2	Low (2)	Low (4)	Moderate (6)	Moderate (8)	High (10)
Rare	1	Low (1)	Low (2)	Low (3)	Low (4)	Moderate (5)

A risk is often specified in terms of an event or circumstance and the consequences that may flow from it. An effect may be positive, negative or a deviation from the expected and may be related to the following objectives; occupational health and safety, financial, service interruption, compliance, reputation and environment. A risk matrix has been prepared and a risk rating is provided below. Any items with a risk rating over 16 will be added to the Risk Register, and any item with a risk rating over 16 will require a specific risk treatment plan to be developed.

Risk Rating	6
Does this item need to be added to the Town's Risk Register	No
Is a Risk Treatment Plan Required	No

Site Inspection

A site inspection was carried out.

Comment

Statutory Assessment

This development application proposes a ground floor residential extension. There are no changes proposed to the previously approved DA other than the removal of the carport from the building plans and Condition 9 which required the removal of the second crossover at the subject property. Condition 9 of the previous approval read;

The second crossover (that services the second garage relabelled store/shed on the approved plans date stamped 15 November 2018) is to be removed, edging to the adjoining property's crossover restored and the area to be landscaped to the satisfaction of the Town of East Fremantle with the cost to be borne by the applicant.

The previous development application was approved with the following variations;

- (i) Clause 3.7.17.3.3 – Residential Design Guidelines - Carport Width – 30% required, 41% provided; and
- (ii) Clause 5.4.1 – Residential Design Codes - Visual Privacy – outdoor deck overlooking southern neighbour – reduction from 7.5m to 6m

Whilst the development application is significantly the same as previously approved the proposed changes are considered a significant departure to the original application to warrant a new development application to be assessed.

The development application originally proposed a carport in addition to an existing garage at the subject property. As a result of a decision made by the owners to not proceed with building the carport and the removal of the carport from the building permit plans a request has been made to delete the requirement for the removal of the second crossover. The garage that was previously labelled as a storeroom has been relabeled a garage on the building plans and the only access to this garage is via the existing crossover, which was proposed to be removed.

The removal of the carport and retention of both crossovers will retain the existing status quo of access to the site, and as such this condition is no longer required. An additional condition that required a new development application for the enclosure of the originally proposed carport has also been removed. There are no other changes proposed to the previously approved development application.

The proposed development application is considered acceptable and is recommended for approval.

12.1.2 OFFICER RECOMMENDATION/COUNCIL RESOLUTION 020419

Moved Cr Collinson, seconded Cr Natale

That Council grant development approval for the ground floor residential extension at No. 151 (Lot 32) Petra Street, East Fremantle, in accordance with the building plans date stamped received 12 March 2019 subject to the following conditions:

- (1) The works are to be constructed in conformity with the drawings and written information accompanying the application for planning approval other than where varied in compliance with the conditions of this planning approval or with Council's further approval.**
- (2) The Building Permit issued shall be in compliance with the conditions of this planning approval unless otherwise amended by Council.**
- (3) With regard to the plans submitted with respect to the Building Permit application, changes are not to be made in respect of the plans which have received planning approval, without those changes being specifically marked for Council's attention.**
- (4) All stormwater is to be disposed of on site, an interceptor channel installed if required and a drainage plan be submitted to the satisfaction of the Chief Executive Officer in consultation with the Building Surveyor prior to the issue of a Building Permit.**
- (5) All introduced filling of earth to the lot or excavated cutting into the existing ground level of the lot, either temporary or permanent, shall be adequately controlled to prevent damage to structures on adjoining lots or in the case of fill, not be allowed to encroach beyond the lot boundaries. This shall be in the form of structurally adequate retaining walls and/or sloping of fill at the natural angle of repose and/or another method as approved by the Town of East Fremantle.**
- (6) Where this development requires that any facility or service within a street verge (street trees, footpath, crossover, light pole, drainage point or similar) is to be removed, modified or relocated then such works must be approved by Council and if approved, the total cost to be borne by the applicant. Council must act reasonably and not refuse any reasonable proposal for the removal, modification or relocation of such facilities or services (including, without limitation any works associated with the proposal) which are required by another statutory or public authority.**

- (7) The applicant is to comply with Clause 5.4.1 – Visual Privacy of the Residential Design Codes by attaching permanent visual screening to the top of the southern wall of the deck (to a height of 1.6m above finished floor level of the deck).
- (8) If requested by Council within the first two years following installation, the roofing to be treated to reduce reflectivity. The treatment to be to the satisfaction of the Chief Executive Officer in consultation with relevant officers and all associated costs to be borne by the owner.
- (9) This planning approval to remain valid for a period of 24 months from date of this approval.

Footnote:

The following are not conditions but notes of advice to the applicant/owner:

- (i) *this decision does not include acknowledgement or approval of any unauthorised development which may be on the site.*
- (ii) *a copy of the approved plans as stamped by Council are attached and the application for a Building Permit is to conform with the approved plans unless otherwise approved by Council.*
- (iii) *it is recommended that the applicant provides a Structural Engineer's dilapidation report, at the applicant's expense, specifying which structures on adjoining sites may be adversely affected by the works and providing a record of the existing condition of the structures. Two copies of each dilapidation report should be lodged with Council and one copy should be given to the owner of any affected property.*
- (iv) *all noise levels produced by the construction of the development are to comply with the provisions of the Environmental Protection (Noise) Regulations 1997 (as amended).*
- (v) *matters relating to dividing fences are subject to the Dividing Fences Act 1961.*
- (vi) *under the Environmental Protection (Noise) Regulations 1997, the noise from an air-conditioner must meet assigned allowable noise levels at all times. The Environmental Protection Act 1986 sets penalties for non-compliance with the Regulations and the installer of a noisy air-conditioner can face penalties of up to \$5,000 under Section 80 of the Act. Refer to Department of Environmental Protection document – "An Installers Guide to Air Conditioner Noise".*

(CARRIED UNANIMOUSLY)

Cr Natale made the following impartiality declaration in the matter of No. 11 Gordon Street. "As a consequence of a direct neighbour being known to me, there may be a perception that my impartiality on the matter may be affected. I declare that I will consider this matter on its merits in terms of the benefit to the Town and vote accordingly".

12.1.3 Gordon Street No 11 (Lot 699) Installation of sea container as an outbuilding

Owner	Ante and Branka Musulin
Applicant	Ante and Branka Musulin
File ref	P006/19; P/GOR11
Prepared by	James Bannerman Planning Officer
Supervised by	Andrew Malone, Executive Manager Regulatory Services
Meeting date	16 April 2019
Voting requirements	Simple Majority
Documents tabled	Nil
Attachments	Nil.

Purpose

For Council to consider a planning application for the installation of a sea container at No 11 (Lot 699) Gordon Street, East Fremantle.

Executive Summary

It is considered that the proposal to install a sea container at the subject property cannot be supported and the proposed development should be refused based on a number of reasons including front boundary setback, side boundary setback, insufficient open space provision and aesthetics.

Background

Zoning: Residential R17.5
Site area: 368m²

Previous Decisions of Council and/or History of an Issue or Site

WAPC Ref 155758- 18 July 2018- Subdivision of parent lot (No 2 (Lot 66) Philip Street into 2 smaller lots of 745m² (No 2 (Lot 700) Philip Street) and 368m² (No 11 (Lot 699) Gordon Road)
DA P029/17- 3 July 2017- Two storey grouped dwelling
DA P051/17- 23 June 2017- Temporary approval for the location of a sea container
Building permit 2017106- Two storey grouped dwelling

Consultation

Advertising

Advertised to surrounding landowners. One submission was received and the applicant responded to this.

Submission 1	Applicant Response	Officer Response
1. Concern about whether the sea container achieved minimum setbacks to front and side boundaries 2. Concern that more people will use sea containers as storage sheds in the future. 3. There is already a shed on site that does not have approval and	I had an approved shed and built in 2006/7. The shed was 3750m from front boundary, 6120m long north side boundary, 6920m west side and 3500m height. Size of sea container is 2500m wide 6000m long and 2400m high 4800m from the front boundary 980m from north side boundary. I had to demolish shed to accommodate house building. My question is which is a bigger building? I had my shed hidden by plants and now sea container with the plants and fence. I made the application for sea container approval and I am waiting for approval.	The submissions and applicant's responses are acknowledged and are addressed in this table and the Comment section of this report.

<p>does not appear to comply with any planning requirements. 4. Too much development on a small lot.</p>	<p>As stated above sizes of shed and sea container over all, square meters of shed 42.35m² sea container 15m². The sea container is bought when was 3 months old and is in as is new condition. My neighbour cannot see sea container from the front neither can she see it from the side of the house windows. The side of the house windows are privacy built being only 1...m from boundary. My house is 4.5 m from north side boundary, I steel have privacy windows and I was made to install shutters on alfresco, while this complainant have her alfresco some 1.5m away from north side boundary without shutters or any privacy installed. I like to store my gear in the shed (sea container) so I can park my cars in the garage not on lawns and on the road.</p> <p>As far as existing shed on the property measured by my neighbour as 3 x 4m, she has trespassed on to my property to measure the shed and whatever else she was doing there without my presence and permission. The existing shed is my barbeque, only it is covered. No water goes on to neighbour property from my covered barbeque, I will block off window overlooking her property. If I need permit for the barbeque, I will make application to the council for the barbeque? I have great communication and understanding with planning of Town of East Fremantle.</p>	
--	---	--

Community Design Advisory Committee (CDAC)

This application was not referred to CDAC.

Statutory Environment

Planning and Development Act 2005

Residential Design Codes of WA

Town of East Fremantle Local Planning Scheme No. 3 (LPS No. 3)

Policy Implications

Town of East Fremantle Residential Design Guidelines 2016 (as amended)

Financial Implications

Nil

Strategic Implications

The Town of East Fremantle Strategic Community Plan 2017 – 2027 states as follows:

Built Environment

Accessible, well planned built landscapes which are in balance with the Town's unique heritage and open spaces.

3.1 Facilitate sustainable growth with housing options to meet future community needs.

3.1.1 Advocate for a desirable planning and community outcome for all major strategic development sites.

3.1.2 Plan for a mix of inclusive diversified housing options.

3.2 Maintaining and enhancing the Town's character.

3.2.1 Ensure appropriate planning policies to protect the Town's existing built form.

3.3 Plan and maintain the Town's assets to ensure they are accessible, inviting and well connected.

- 3.3.1 Continue to improve asset management practices.
- 3.3.2 Optimal management of assets within resource capabilities.
- 3.3.3 Plan and advocate for improved access and connectivity.

Natural Environment

Maintaining and enhancing our River foreshore and other green, open spaces with a focus on environmental sustainability and community amenity.

- 4.1 Conserve, maintain and enhance the Town's open spaces.
 - 4.1.1 Partner with Stakeholders to actively protect, conserve and maintain the Swan River foreshore.
 - 4.1.2 Plan for improved streetscapes parks and reserves.
- 4.2 Enhance environmental values and sustainable natural resource use.
 - 4.2.1 Reduce waste through sustainable waste management practices.
- 4.3 Acknowledge the change in our climate and understand the impact of those changes.
 - 4.3.1 Improve systems and infrastructure standards to assist with mitigating climate change impacts.

Risk Implications

Risk	Risk Likelihood (based on history & with existing controls)	Risk Impact / Consequence	Risk Rating (Prior to Treatment or Control)	Principal Risk Theme	Risk Action Plan (Controls or Treatment proposed)
That Council does not approve the proposed development resulting in a SAT appeal	Possible (3)	Moderate (3)	Moderate (5-9)	COMPLIANCE Some temporary non-compliances	Accept Officer Recommendation

Risk Matrix

Consequence		Insignificant	Minor	Moderate	Major	Extreme
		1	2	3	4	5
Likelihood	Almost Certain	Moderate (5)	High (10)	High (15)	Extreme (20)	Extreme (25)
	Likely	Low (4)	Moderate (8)	High (12)	High (16)	Extreme (20)
	Possible	Low (3)	Moderate (6)	Moderate (9)	High (12)	High (15)
	Unlikely	Low (2)	Low (4)	Moderate (6)	Moderate (8)	High (10)
	Rare	Low (1)	Low (2)	Low (3)	Low (4)	Moderate (5)
	5					

A risk is often specified in terms of an event or circumstance and the consequences that may flow from it. An effect may be positive, negative or a deviation from the expected and may be related to the following objectives; occupational health and safety, financial, service interruption, compliance, reputation and environment. A risk matrix has been prepared and a risk rating is provided below. Any items with a risk rating over 16 will be added to the Risk Register, and any item with a risk rating over 16 will require a specific risk treatment plan to be developed.

Risk Rating	9
Does this item need to be added to the Town's Risk Register	No
Is a Risk Treatment Plan Required	No

Site Inspection

A site inspection was undertaken.

Comment

Statutory Assessment

The proposal has been assessed against the provisions of Local Planning Scheme No. 3 and the Town's Local Planning Policies as well as the Residential Design Code. A summary of the assessment is provided in the following tables.

Legend <i>(refer to tables below)</i>	
A	Acceptable
D	Discretionary
N/A	Not Applicable

Residential Design Codes Assessment

	Required	Proposed	Status
Street Front Setback	6.0m	4.9m	D
Secondary Street Setback	N/A	N/A	N/A
Lot boundary setbacks			
North	1.0m	0.6m	D
East	1.0m	9.0m	A
Open Space	50%	47%	D
Outdoor Living Areas	Accessible from habitable rooms	Access from habitable room	A
	36m²	28.5m²	D
Car Parking	N/A	N/A	N/A
Vehicle Access	N/A	N/A	N/A
Site Works	N/A	N/A	N/A
Visual privacy setback	N/A	N/A	N/A
Overshadowing	≤25%	Overshadows subject property	A
Stormwater management	On-site	To be conditioned	A

Local Planning Policies Assessment

LPP Residential Design Guidelines Provision	Status
3.7.2 Additions and Alterations to Existing Buildings	D

3.7.3 Development of Existing Buildings	D
3.7.4 Site Works	N/A
3.7.5 Demolition	N/A
3.7.6 Construction of New Buildings	N/A
3.7.7 Building Setbacks and Orientation	D
3.7.8 Roof Form and Pitch	D
3.7.9 Materials and Colours	D
3.7.10 Landscaping	N/A
3.7.11 Front Fences	D
3.7.12 Pergolas	N/A
3.7.13 Incidental Development Requirements	N/A
3.7.14 Footpaths and Crossovers	N/A
3.7.17 Precinct Requirements	D

The application proposes a sea container as a garden shed to be located on the northern side of the subject property. A number of variations are requested to the requirements of the Residential Design Guidelines and the Residential Design Codes. No justification was provided for these variations.

Front Boundary Setback

The sea container is set back 4.9m from the front boundary. There is a requirement that the front boundary setback is 6m for properties with a density coding of R17.5 in accordance with Table 1 of the Residential Design Codes. This development does not comply with the minimum requirement.

Lot Boundary Setback

There is a requirement for dwellings to be located a minimum of 1m from the side boundary. In this case the sea container wall is located 0.6m from the northern lot boundary and is not in compliance with Table 2a of the Residential Design Codes in accordance with Clause 5.1.3 C3.1 (i). The reduced side boundary setback of the sea container is not supported as it does not achieve the Design principles 5.1.3 P3.1. The setback from the rear eastern boundary is 9m and is compliant with Table 2a of the Residential Design Codes.

Open Space

A total level of open space equivalent to 46.6% (171.6m²) of the lot is provided on the subject property below the minimum 50% required by Clause 5.1.4 Table 1 of the Residential Design Codes. A level of open space below the minimum requirement is not supported considering the property was built to minimum lot subdivision standards of 368m² at R20 density. Based on the minimum standards it is considered no additional lot area should be taken up by built structures..

Walls and Fences

Fencing has been installed at the front of the property to screen the sea container. Based on the plans that have been submitted the fencing is compliant with the Residential Design Guidelines Clause 3.7.11 with the exception of the requirement for 60% visual permeability. All front fencing is required to have 60% visual permeability and this is achieved by ensuring that the gaps in fencing are larger than the width of the panels. The fence in its current form cannot be supported.

The outdoor living area does not achieve the minimum area of 36m² as required by Table 1 of the Residential Design Codes. In this case the outdoor living area is 28.5m² well below the minimum required area as there is both a shed located in the north-eastern corner of the lot, as well as the proposed sea container.

Outbuildings

The sea container could be defined as an outbuilding according to the Deemed to comply requirements of Clause 5.4.3 C3 of the Residential Design Codes. It is not attached to the dwelling, non-habitable, does not exceed 60m² in area, ridge height is below 4.2m, but it is within the primary street setback area. The development does reduce the open space and is not setback in accordance with Tables 2a and 2b. The outbuildings do not achieve Design principles 5.4.3 P3 and the requirement that outbuildings do not detract from the streetscape and the visual amenity of the residents and neighbouring properties.

Aesthetics

There is a requirement that proposed structures should follow the established pattern of development in terms of form, scale and bulk (Residential Design Guidelines Clause 3.7.6.1) and new developments should not negatively impact on the streetscape character (Residential Design Guidelines Clause 3.7.6.2). The sea container does not match the existing pattern of development nor does it add positively to the streetscape character of the Richmond Hill area. The sea container is a form of development that detracts from the streetscape and could potentially establish an undesirable form of development in the area.

Conclusion

None of the variations can be supported on the basis that the sea container is not hidden behind the subject property and will dominate the front of the property. The construction of a fence does not screen the sea container sufficiently to reduce the loss of visual amenity created by the sea container. The proposed development does not achieve the minimum setbacks from the northern side boundary and reduces the open space available on site such that the minimum open space requirements cannot be met. At the same time it does not achieve all the requirements of an outbuilding as defined by the Residential Design Code nor does it achieve the desired development outcomes that are laid down in the Residential Design Guidelines.

It should be noted that an approval was given for the **temporary** placement of the same sea container on the verge during the construction of the dwelling located on the subject lot (DA P051/17). Since then the sea container has been relocated to the side of the dwelling **without approval** and the transfer was photographed by Council Officers.

At the same time there is a 3m by 4m shed located in the north east section of the lot which does not have planning approval nor a building permit. The sea container when considered in combination with this shed compromises both the open space and outdoor living area requirements of the R Codes and therefore cannot be supported.

12.1.3 OFFICER RECOMMENDATION/COUNCIL RESOLUTION 030419

Moved Cr Collinson, seconded Cr Nardi

That Council refuse the development application for No. 11 (Lot 699) Gordon Street, East Fremantle, in accordance with the plans date stamped received 29 January 2019 , for the following reasons:

1. The proposed development does not comply with the orderly and proper planning of the area;
2. The proposed development does not comply with the following requirements of the Local Planning Scheme No 3:
 - (a) The proposed development conflicts with Clause 1.6 Aims of the Scheme in particular Clauses 1.6 (b);
To enhance the character and amenity of the Town and to promote a sense of place and community identity within each of the precincts of the Town
 - (b) The proposed development conflicts with Clause 4.2 Objectives of the Zones- Residential Objectives:
To safeguard and enhance the amenity of residential areas and ensure that new housing development is sympathetic with the character and scale of the existing built form;
 - (c) The proposed development conflicts with the provisions of the Town of East Fremantle Local Planning Scheme No 3 – Deemed Provision Clause 67 because it is incompatible with:
 - (i) Clause 67 (m) the compatibility of the development with its setting including the relationship of the development to development on adjoining land or on other land in the locality including, but not limited to, the likely effect of the height, bulk, scale, orientation and appearance of the development;
 - (ii) Clause 67 (n) the amenity of the locality including the following- (ii) the character of the locality;
3. The proposed development does not comply with the Local Planning Policy Residential Design Guidelines Clause 3.7.11 Walls and Fences 60% visual permeability;
4. The proposed development does not comply with the Residential Design Codes:
 - (a) Clause 5.1.3 C3.1 (i) lot boundary setbacks achieved in accordance with Table 1 and 2a
 - (b) Clause 5.1.4 Open Space is not provided in accordance with Table 1
 - (c) Clause 5.3.1 C1.1 Outdoor living area is not provided in accordance with Table 1
 - (d) Clause 5.4.3 P3 Outbuildings and the requirement that outbuildings do not detract from the streetscape and the visual amenity of the residents and neighbouring properties.
5. That the owner remove the sea container and the fence within 28 days of the determination of this application.

(CARRIED 5:4)

12.2 FINANCE REPORTS

12.2.1 Monthly Financial Report (Containing the Statement of Financial Activity) – March 2019

Applicant	Not Applicable
File ref	F/FNS2
Prepared by	Peter Kocian, Executive Manager Corporate Services
Supervised by	Gary Tuffin, Chief Executive Officer
Meeting Date:	16 April 2019
Voting requirements	Absolute Majority
Documents tabled	Nil
Attachments	1. Monthly Financial Report for the Period Ended 31 March 2019 2. Capital Works Report

Purpose

The purpose of this report is to present to Council the Monthly Financial Report (containing the Statement of Financial Activity) for the month ended 31 March 2019.

Executive Summary

A new Monthly Financial Report template has been developed to provide an overview of key financial activity. Two Statements of Financial Activity have been prepared, one by program and the other by nature and type. Both of these Statements provide a projection of the closing surplus position as at 30 June 2019.

Background

The Town of East Fremantle financial activity reports use a materiality threshold to measure, monitor and report on financial performance and position of the Town.

As part of the adopted 2018/19 Budget, Council adopted the following thresholds as levels of material variances for financial reporting.

In accordance with regulation 34 (5) of the Local Government (Financial Management) Regulations 1996, and AASB 1031 Materiality, the level to be used in statements of financial activity in 2018/19 for reporting material variances shall be:

- (a) 10% of the amended budget; or*
- (b) \$10,000 of the amended budget.*

whichever is greater. In addition, that the material variance limit be applied to total revenue and expenditure for each Nature and Type classification and capital income and expenditure in the Statement of Financial Activity.

The monthly Financial Report for the period ended 31 March 2019 is appended and includes the following:

- Statement of Financial Activity by Program
- Statement of Financial Activity by Nature and Type
- Notes to the Statement of Financial Activity including:
 - Statement of capital acquisitions and capital funding
 - Significant Accounting Policies
 - Explanation of Material Variances
 - Net Current Funding Position

- Cash and Investments
- Budget amendments
- Receivables
- Cashed Back Reserves
- Capital Disposals
- Rating Information
- Information on Borrowings
- Grants and Contributions

The attached Monthly Financial Reports are prepared in accordance with the amended *Local Government (Financial Management) Regulations 1996*; together with supporting material to provide Council with easy to understand financial information covering activities undertaken during the financial year.

Consultation

Nil.

Statutory Environment

Section 6.4 of the *Local Government Act 1995* and Regulation 34 of the *Local Government (Financial Management) Regulations 1996* detail the form and manner in which a local government is to prepare its Statement of Financial Activity.

Expenditure from the municipal fund not included in the annual budget must be authorised in advance by an absolute majority decision of Council pursuant to section 6.8 of the *Local Government Act 1995*.

Fees and charges are imposed under section 6.16 of the *Local Government Act 1995*. If fees and charges are imposed after the annual budget has been adopted, local public notice must be provided before introducing the fees or charges pursuant to section 6.19 of the *Local Government Act 1995*.

Policy Implications

Significant Accounting Policies are adopted by Council on an annual basis. These policies are used in the preparation of the statutory reports submitted to Council.

Financial Implications

Material variances are disclosed in the Statement of Financial Activity.

There are no proposed changes to the current budget forecast as presented to Council in the mid-year budget review.

The statement of financial activity is to be supported by such information as is considered relevant by the local government containing:

- an explanation of the composition of the net current assets of the month to which the statement relates, less committed assets and restricted assets; and
- an explanation of each of the material variances; and
- supporting information as is considered relevant by the local government.

Strategic Implications

The matter being put to the Council is not likely to have a direct impact on the strategies of the Council.

4.9 A financially sustainable Town – Provide financial management services to enable the Town to sustainably provide services to the community.

Site Inspection

Not applicable.

Risk Implications

Risk	Risk Likelihood (based on history & with existing controls)	Risk Impact / Consequence	Risk Rating (Prior to Treatment or Control)	Principal Risk Theme	Risk Action Plan (Controls or Treatment proposed)
That Council does not endorse the financial statements	Rare (1)	Moderate (3)	Low (1-4)	COMPLIANCE Minor regulatory or statutory impact	Accept Officer Recommendation

Risk Matrix

Consequence		Insignificant	Minor	Moderate	Major	Extreme	
		1	2	3	4	5	
Likelihood	Almost Certain	5	Moderate (5)	High (10)	High (15)	Extreme (20)	Extreme (25)
	Likely	4	Low (4)	Moderate (8)	High (12)	High (16)	Extreme (20)
	Possible	3	Low (3)	Moderate (6)	Moderate (9)	High (12)	High (15)
	Unlikely	2	Low (2)	Low (4)	Moderate (6)	Moderate (8)	High (10)
	Rare	1	Low (1)	Low (2)	Low (3)	Low (4)	Moderate (5)

A risk is often specified in terms of an event or circumstance and the consequences that may flow from it. An effect may be positive, negative or a deviation from the expected and may be related to the following objectives; occupational health and safety, financial, service interruption, compliance, reputation and environment. A risk matrix has been prepared and a risk rating is provided below. Any items with a risk rating over 16 will be added to the Risk Register, and any item with a risk rating over 16 will require a specific risk treatment plan to be developed.

Risk Rating	3
Does this item need to be added to the Town's Risk Register	No
Is a Risk Treatment Plan Required	No

Comment

The following is a summary of headline numbers from the attached financial reports:

	Original Budget	Amended Budget (Mid-Year Review)	Year to Date Budget	March Actuals
Opening Surplus	782,857	785,889	785,889	785,889
Operating Income	10,430,366	10,354,928	9,725,329	9,814,789
Operating Expenditure	(12,130,190)	(11,765,902)	(8,822,709)	(8,485,717)
Capital Expenditure	(2,980,169)	(3,066,919)	(2,299,896)	(932,306)
Capital Income	307,479	307,479	270,543	247,936
Net Transfers from Reserves	867,277	890,277	667,701	(40,178)
Non-Cash Items	2,722,380	2,510,473	1,682,731	1,861,024
Closing Surplus	0	16,225	2,009,588	3,251,437
Unrestricted Cash				3,431,383
Rates Receivables				631,860
Restricted Cash				2,122,812

- Rates were levied in the month of July;
- Year to date budgets have been entered into the financial system. The majority of variances between year to date actuals and the year to date budget are attributable to timing differences, and are further explained in Note 2 of the Monthly Financial Report. There is a permanent downward adjustment to depreciation expense on infrastructure assets following a circa \$7m decrement in the carrying value of infrastructure assets as at 30 June 2018.
- Capital expenditure is 28% of the full year budget at the end of March. A Capital Works Report is now being produced automatically within the Town's financial system, and emailed to Responsible Officer's on a weekly basis to monitor projects. This Report is provided as Attachment 2, and will form part of the monthly financial report moving forward.
- 95% of rates were collected by the end of March, meaning that the Town has a significant unrestricted cash position, with majority of these funds placed in short term deposits, ranging in term from one to four months.

The Statements of Financial Activity have been updated to include additional columns; being the annual budget entered in the financial system (SynergySoft), the amended budget following approved budget variations at the August 2018 OCM, and the forecast position as at 30 June 2019 following the mid-year budget review. The current budget captures all budget variations that have approved by Council since the original budget adoption.

Proposed Budget Variations:

A variance analysis between actuals and the full year budget has identified that there are a number of individual accounts that require a budget variation. These accounts in themselves have not created a material variance as materials variances are assessed on total revenue and expenditure for each nature and type classification. However, budget variations are recommended to ensure adequate financial management controls are in place. The following schedule with explanations is provided:

Account Number	Account Description	Current Budget	Amended Budget	Variance	Explanation
E04239	Consultants Legal/Admin	(\$60,000)	(\$70,000)	(\$10,000)	Payroll Health Check, Outsourced Payrun, and Evaluation Report

E05233	Impounding and Other Expenses – Animal Control	(\$24,000)	(\$34,000)	(\$10,000)	Increase in consumables (dog bags)
E04210 (New)	Staff Placement Fees	(\$0)	(\$25,000)	(\$25,000)	Recommended new account for expenditure related to placement fees for labour hire – EMCS and MAF
I03188	Interest on Investments	\$55,000	\$75,000	\$20,000	Improved result due to strong cash flow
E05210	Ranger Accommodation and Fit-out	(\$25,000)	(\$30,000)	(\$5,000)	Increased cost due to fit-out
E04606	Furniture and Equipment	(\$25,000)	(\$38,000)	(\$13,000)	11 desktops replaced. 3 new hot desks/training room established at Depot
E08234	EF Community Centre Building (Tricolore)	(\$22,618)	(\$37,618)	(\$15,000)	Roof Repairs - \$15k
E14462	Building Maintenance – Old Police Station	(\$2,005)	(\$12,005)	(\$10,000)	Painting, electrical, lighting, telecommunications cabling
I14087	Rental Income – Old Police Station	\$0	\$5,000	\$5,000	As per Lease Agreement. \$2,000 per month.
I12040	MRD Stirling Bridge Verge Maintenance Agreement	\$7,200	\$12,200	\$5,000	CPI adjustment not processed since 2011
I14086	Recoverable Works	\$5,000	\$10,000	\$5,000	Crossover contributions invoiced
E12759	Carpark – East Fremantle Tennis Club	(\$250,000)	(\$10,000)	\$240,000	Fund budget variations and transfer remaining amount to Committed Works Reserve
E12737	Carpark – Tricolore Community Centre and Sports Fields	(\$120,000)	(\$30,000)	\$90,000	Transfer to Committed Works Reserve
E10605	Jetty Treatment and Major Maintenance Program	(\$25,000)	(\$45,000)	(\$20,000)	Debris removal and urgent structural repairs
E11609	EF Cricket/Lacrosse Building Upgrade	\$0	(\$10,000)	(\$10,000)	Installation of loading zone posted against operating account
New	Transfer to Committed Works Reserve	\$0	(\$247,000)	(\$247,000)	Unspent amounts – carpark projects
Change in Net Current Assets				\$0	

Committed Works Reserve:

It is recommended that Council approve the establishment of a Committed Works Reserve – the purpose of which is to transfer unspent Municipal funded expenditure on specific projects to enable identification of carryover expenditure into the next financial year. This will also smooth fluctuations in the Municipal unrestricted cash balance from one year to the next as a result of projects spanning multiple financial years.

12.2.1 OFFICER RECOMMENDATION/COUNCIL RESOLUTION 040419

Moved Cr A McPhail, seconded Cr Natale

That Council:

1. receives the Monthly Financial Report (Containing the Statement of Financial Activity) for the month ended 31 March 2019.
2. notes the Forecast column in the Statements of Financial Activity, forecasting a small surplus of \$16,225 as at 30 June 2019.
3. notes the municipal surplus of \$3,251,437, which comprises of \$3,431,383 in unrestricted cash, as at 31 March 2019.
4. receives the Capital Works Report.
5. pursuant to section 6.11 of the *Local Government Act 1995*, by absolute majority, establish a Committed Works Reserve – the purpose of which is to transfer unspent Municipal funded expenditure on specific projects to enable identification of carryover expenditure into the next financial year.
6. pursuant to section 6.8 of the *Local Government Act 1995*, by absolute majority, approve to amend the 2018/19 municipal budget pursuant to section 6.8 of the *Local Government Act 1995*, by adopting the schedule of budget variations below, resulting in a nil change in the forecast surplus of \$16,225 as at 30 June 2019.

Account Number	Account Description	Current Budget	Amended Budget	Variance	Explanation
E04239	Consultants Legal/Admin	(\$60,000)	(\$70,000)	(\$10,000)	Payroll Health Check, Outsourced Payrun, and Evaluation Report
E05233	Impounding and Other Expenses – Animal Control	(\$24,000)	(\$34,000)	(\$10,000)	Increase in consumables (dog bags)
E04210 (New)	Staff Placement Fees	(\$0)	(\$25,000)	(\$25,000)	Recommended new account for expenditure related to placement fees for labour hire – EMCS and MAF
I03188	Interest on Investments	\$55,000	\$75,000	\$20,000	Improved result due to strong cash flow
E05210	Ranger Accommodation and Fit-out	(\$25,000)	(\$30,000)	(\$5,000)	Increased cost due to fit-out
E04606	Furniture and Equipment	(\$25,000)	(\$38,000)	(\$13,000)	11 desktops replaced. 3 new hot

					desks/training room established at Depot
E08234	EF Community Centre Building (Tricolore)	(\$22,618)	(\$37,618)	(\$15,000)	Roof Repairs - \$15k
E14462	Building Maintenance – Old Police Station	(\$2,005)	(\$12,005)	(\$10,000)	Painting, electrical, lighting, telecommunications cabling
I14087	Rental Income – Old Police Station	\$0	\$5,000	\$5,000	As per Lease Agreement. \$2,000 per month.
I12040	MRD Stirling Bridge Verge Maintenance Agreement	\$7,200	\$12,200	\$5,000	CPI adjustment not processed since 2011
I14086	Recoverable Works	\$5,000	\$10,000	\$5,000	Crossover contributions invoiced
E12759	Carpark – East Fremantle Tennis Club	(\$250,000)	(\$10,000)	\$240,000	Fund budget variations and transfer remaining amount to Committed Works Reserve
E12737	Carpark – Tricolore Community Centre and Sports Fields	(\$120,000)	(\$30,000)	\$90,000	Transfer to Committed Works Reserve
E10605	Jetty Treatment and Major Maintenance Program	(\$25,000)	(\$45,000)	(\$20,000)	Debris removal and urgent structural repairs
E11609	EF Cricket/Lacrosse Building Upgrade	\$0	(\$10,000)	(\$10,000)	Installation of loading zone posted against operating account
New	Transfer to Committed Works Reserve	\$0	(\$247,000)	(\$247,000)	Unspent amounts – carpark projects
Change in Net Current Assets				\$0	
(CARRIED UNANIMOUSLY) (ABSOLUTE MAJORITY)					

12.2.2 Accounts for Payment – March 2019

File ref	F/FNS2
Prepared by	Peter Kocian, Executive Manager, Corporate Service
Supervised by	Peter Kocian, Executive Manager, Corporate Services
Meeting Date	16 April 2019
Voting requirements	Simple Majority
Documents tabled	Nil
Attachments	1. Monthly List of Payments – March 2019

Purpose

For Council to receive the monthly list of accounts paid.

Executive Summary

To endorse the list of payments made under delegated authority for the month of March 2019.

It is therefore recommended that Council receives the Lists of Accounts paid for the period 1 March to 31 March 2019, as per the summary table.

Background

The Chief Executive Officer has delegated authority to make payments from the Municipal and Trust Accounts in accordance with budget allocations.

The Town provides payments to suppliers by electronic funds transfer, cheque or credit card. Attached is an itemised list of all payments made under delegated authority during the said period.

Consultation

Nil.

Statutory Environment

Regulation 13: *Local Government (Financial Management) Regulations 1996 (as amended)*

Policy Implications

Policy 4.2.4 Purchasing Policy

Financial Implications

Accounts for Payment are sourced from budget allocations.

All amounts quoted in this report are inclusive of GST.

Risk Implications

Risk	Risk Likelihood (based on history & with existing controls)	Risk Impact / Consequence	Risk Rating (Prior to Treatment or Control)	Principal Risk Theme	Risk Action Plan (Controls or Treatment proposed)
That Council does not accept the list of payments	Rare (1)	Moderate (3)	Low (1-4)	COMPLIANCE Minor regulatory or statutory impact	Accept Officer Recommendation

Risk Matrix

Consequence		Insignificant	Minor	Moderate	Major	Extreme	
		1	2	3	4	5	
Likelihood	Almost Certain	5	Moderate (5)	High (10)	High (15)	Extreme (20)	Extreme (25)
	Likely	4	Low (4)	Moderate (8)	High (12)	High (16)	Extreme (20)
	Possible	3	Low (3)	Moderate (6)	Moderate (9)	High (12)	High (15)
	Unlikely	2	Low (2)	Low (4)	Moderate (6)	Moderate (8)	High (10)
	Rare	1	Low (1)	Low (2)	Low (3)	Low (4)	Moderate (5)

A risk is often specified in terms of an event or circumstance and the consequences that may flow from it. An effect may be positive, negative or a deviation from the expected and may be related to the following objectives; occupational health and safety, financial, service interruption, compliance, reputation and environment. A risk matrix has been prepared and a risk rating is provided below. Any items with a risk rating over 16 will be added to the Risk Register, and any item with a risk rating over 16 will require a specific risk treatment plan to be developed.

Risk Rating	3
Does this item need to be added to the Town's Risk Register	No
Is a Risk Treatment Plan Required	No

Strategic Implications

The Town of East Fremantle Strategic Community Plan 2017 – 2027 states as follows:

STRATEGIC PRIORITY 5: Leadership and Governance

A proactive, approachable Council which values community consultation, transparency and accountability.

Site Inspection

Not applicable.

Comment

The attached itemised list of payments is prepared in accordance with Regulation 13 of the amended *Local Government (Financial Management) Regulations 1996*.

12.2.2 OFFICER RECOMMENDATION/COUNCIL RESOLUTION 050419

Moved Cr White, seconded Cr A McPhail

That the list of accounts paid for the period 1 to 31 March 2019 be received, as per the following summary table:

MARCH 2019		
Voucher No	Account	Amount
5221 –5222	Municipal (Cheques)	785.96
EFT27304– EFT 27447	Municipal (EFT)	\$983,863.47
Payroll	Municipal (EFT)	\$252,644.48
Credit Card/Superannuation	Municipal (Direct Debit)	\$44,373.55
	Total Payments	\$1,236,667.46

(CARRIED UNANIMOUSLY)

12.2.3 2019/20 Differential General Rates and Minimum Payments

File ref	F/ABT1
Prepared by	Peter Kocian, Interim Manager Corporate Services
Supervised by	Gary Tuffin, CEO
Meeting Date	16 April 2019
Voting requirements	Absolute Majority
Documents tabled	Nil
Attachments	1. Statement of Rating Objects and Reasons 2. 2019/20 Rates Model

Purpose

This report recommends endorsement by Council for advertising of the proposed differential general rates and minimum payments, for which public submissions are sought over a period of not less than 21 days, prior to Council adopting the differential rates.

Executive Summary

Under Section 6.36 of the *Local Government Act 1995*, before imposing any differential general rates or a minimum payment applying to a differential rate category under section 6.35(6)(c), a local government is to give local public notice of its intention to do so including an invitation for submissions to be made by an elector or a ratepayer in respect of the proposed rate or minimum payment and any related matters within 21 days of the notice.

It is recommended that Council resolves to endorse the following differential general rates and minimum payments with a general yield increase of 3.0% across all rating categories and calls for public submissions under Section 6.36 of the *Local Government Act 1995*.

Rate Category	Proposed Rate in \$	Proposed Minimum Payment
Residential	7.0359 cents	\$1,112
Commercial	10.6850 cents	\$1,663

Background

The Town has engaged Moore Stephens to consolidate the draft long term financial plan and existing asset management plans into an overarching Strategic Resourcing Plan (the Plan). This document will contain all the necessary planning outcomes as set out in the Department's Framework and Guidelines for a Long Term Financial Plan and Asset Management Plan.

The Plan will be presented to Council for endorsement as a separate item. It covers a 15-year period, and includes the following statements:

- Statement of Comprehensive Income by Program and by Nature and Type
- Statement of Financial Position
- Statement of Cash Flows
- Statement of Funding (Rate Setting Statement)
- Statement of Capital Funding
- Statutory Ratios

The Plan is underpinned by key assumptions, with a pricing assumption of a 3% annual increase in own source revenue, being the total rate yield and fees and charges. Council received the forecast financial statements and pricing assumptions at their Concept Forum on 30 January 2019. It is on the basis of

this discussion, that the 2019/20 rates model has been prepared and is presented to Council for endorsement.

General rate yield increases in prior years were:

2016/17 – 4.15%

2017/18 – 2.0%

2018/19 – 2.5%

Differential general rates and minimum payments proposed to achieve a rate yield increase of 3.0% are shown in the following table, with the full model appended as Attachment 2:

		3% Increase in Rate Yield and Minimum Payment									
Code		Total Props	GRV Value - Non-Minimum	GRV Value - Minimum	Total Value	Min Amts	GRV %	Non Minimum Rates	Props on Min	Min Rates	Actual Rates to Raise
01	Residential	3275	91,219,100	3,560,080	94,779,180	1,112	7.0359	6,418,112	264	293,568	6,711,680
05	Commercial	129	10,851,958	146,105	10,998,063	1,663	10.6850	1,159,533	11	18,293	1,177,826
06	Commercial - Clubs	5	1,530,350	0	1,530,350	1,663	10.6850	163,518	0	0	163,518
								<u>7,741,163</u>		<u>311,861</u>	<u>8,053,024</u>
											7,818,578
											3%

When examining the draft budget and considering adding projects not currently provided for or amending existing projects, elected members should be mindful of the following considerations that affect rates:

- a 1% movement in rates generally is approximately \$78,000;
- a 1% movement in Residential rates is approximately \$65,000;
- a 1% movement in Commercial rates is approximately \$13,000.

Consultation

Council Concept Forum 30 January 2019

Statutory Environment

Section 6.33 and 6.36 of the *Local Government Act 1995* reads:

6.33. Differential general rates

- (1) A local government may impose differential general rates according to any, or a combination, of the following characteristics —
 - (a) the purpose for which the land is zoned, whether or not under a local planning scheme or improvement scheme in force under the *Planning and Development Act 2005*;
 - (b) a purpose for which the land is held or used as determined by the local government;
 - (c) whether or not the land is vacant land; or
 - (d) any other characteristic or combination of characteristics prescribed.
- (2) A local government is required to ensure that a notice referred to in subsection (1) is published in sufficient time to allow compliance with the requirements specified in this section and section 6.2(1).
- (3) In imposing a differential general rate a local government is not to, without the approval of the Minister, impose a differential general rate which is more than twice the lowest differential general rate imposed by it.

6.36. *Local government to give notice of certain rates*

- (1) *Before imposing any differential general rates or a minimum payment applying to a differential rate category under section 6.35(6)(c) a local government is to give local public notice of its intention to do so.*
- (2) *A local government is required to ensure that a notice referred to in subsection (1) is published in sufficient time to allow compliance with the requirements specified in this section and section 6.2(1).*
- (3) *A notice referred to in subsection (1) —*
 - (a) *may be published within the period of 2 months preceding the commencement of the financial year to which the proposed rates are to apply on the basis of the local government's estimate of the budget deficiency;*
 - (b) *is to contain —*
 - (i) *details of each rate or minimum payment the local government intends to impose;*
 - (ii) *an invitation for submissions to be made by an elector or a ratepayer in respect of the proposed rate or minimum payment and any related matters within 21 days (or such longer period as is specified in the notice) of the notice; and*
 - (iii) *any further information in relation to the matters specified in subparagraphs (i) and (ii) which may be prescribed; and*
 - (c) *is to advise electors and ratepayers of the time and place where a document describing the objects of, and reasons for, each proposed rate and minimum payment may be inspected.*
- (4) *The local government is required to consider any submissions received before imposing the proposed rate or minimum payment with or without modification.*
- (5) *Where a local government —*
 - (a) *in an emergency, proposes to impose a supplementary general rate or specified area rate under section 6.32(3)(a); or*
 - (b) *proposes to modify the proposed rates or minimum payments after considering any submissions under subsection (4),**it is not required to give local public notice of that proposed supplementary general rate, specified area rate, modified rate or minimum payment.*

Policy Implications

There are no Council Policies relative to this item.

Financial Implications

As outlined, the proposed 3% increase in the rate yield will derive an amount of \$8.053 million, which is estimated to meet the requirements of the current draft budget shortfall.

Strategic Implications

This draft budget follows the general principles as set down in the 2017 updated Strategic Community Plan.

Site Inspection

Not applicable

Comment

Rate Revenue is a substantial source of discretionary revenue for the Town, accounting for approximately 75% of total operating revenue. As such, the overall objective of the Town's rating strategy is to provide for the net funding requirements of the Town's services, activities, financing

costs and the current and future capital requirements of the Town as outlined in the Strategic Community Plan, Corporate Business Plan and Long-Term Financial Plan.

Section 6.32 (1) of the *Local Government Act 1995* states that when adopting the annual budget a Local Government, in order to make up the budget deficiency, is to impose a general rate and minimum payment on rateable land. In adopting its annual budget, the Council must also consider its Strategic Community Plan and Corporate Business Plan under section 5.56 of the Act.

The basis for the proposed 3% increase in rate yield is mainly attributed to the following drivers:

- The Local Government Cost Index increased by 1.5% to September 2018;
- The following assumptions underpin the Long Term Financial Plan (LTFP); inflation 2%, investment interest rate 2.5%, annual rate increases 3%, annual increases in employee costs 2%. The LTFP is fully balanced to provide a \$0 surplus at the end of each year of the Plan. Any change to pricing assumptions will trigger a re-balancing of the Plan, which may lead to a reduction in available funding to meet service levels;
- The Town has historically been able to fund a capital works program of between \$1.5m to \$2m per annum from own source funds. The LTFP maintains this average annual expenditure over a 15 year period; however, there are two significant outliers with \$11.5m in capital expenditure allocated in 2023/24 and \$11.6m in capital expenditure allocated in 2033/34. A total of \$16m has been indicatively allocated to the East Fremantle Oval Redevelopment (2023/24 - \$6m; 2033/34 - \$10m) and \$4m towards recreation facilities in the Preston Point Precinct in 2023/24. An increase in net funding from operating activities is therefore required to meet the Town's own source contribution towards these projects. This is achieved by ensuring that operating revenue (own source revenue increases of 3%pa) grows at a faster rate than operating expenditure (key expenditure increase of 2%pa), with net available funds to be transferred into Reserves.
- Council will need to consider strategies to improve its financial ratios over the life of the LTFP. The Current Ratio and Operating Surplus Ratio are below the benchmarks set by the Department. This is attributable to 3 main factors; a balanced LTFP with a forecast surplus of \$0 at the end of each year (this will therefore always result in a current ratio below 1); an increase in depreciation expenses as a result of fair value accounting; and the net cash position derived from operating activities. Any deviation from the pricing assumption of a 3% increase in total rate yield will lead to a deterioration in these ratios.

Minimum Payment

Minimum payments have been increased in line with differential rate increases to a level of \$1,112 for Residential (LY \$1,080), and Commercial \$1,663 (LY \$1,615). Minimum payments affect 8% of Residential properties and 8% of Commercial properties. The level of minimum payment is considered appropriate as recognition of the minimum benefit received from town services provided which includes an estimated waste collection and disposal benefit of approximately \$500 per residential property.

Domestic Waste Charges Included

It is noted that the general rates for 3,275 domestic premises are inclusive of the refuse & recycling collection charges (new FOGO system) and ratepayers are also provided with a tip pass valued at \$55.00. For Commercial properties the waste and recycling service charge is added separately where collection services are provided.

12.2.3 OFFICER RECOMMENDATION

That Council endorse:

1. the Statement of Rating Objects and Reasons as per Attachment 1.
2. a 3% increase in the total rate yield for 2019/20 budget purposes, which will derive \$8,053,024 in rate revenue.
3. the following differential general rates and minimum payments, with a total yield increase of 3% across all rating categories, and calls for public submissions pursuant to section 6.36 of the *Local Government Act 1995*:

Rate Category	Proposed Rate in \$	Proposed Minimum Payment
Residential	7.0359 cents	\$1,112
Commercial	10.6850 cents	\$1,663

Moved Cr Watkins, seconded Cr Collinson
The adoption of the officer's recommendation.

Amendment

Moved Cr White seconded Cr A McPhail

That part of the motion be amended to read:

2. endorse a 2.8% increase in the total rate yield for 2019/20 budget purposes, which will derive \$8,037,498 in rate revenue. (LOST 5:4)

The substantive motion was put.

12.2.3 OFFICER RECOMMENDATION/COUNCIL RESOLUTION 060419

Moved Cr Watkins, seconded Cr Collinson

That Council:

1. endorse the Statement of Rating Objects and Reasons as per Attachment 1.
2. endorse a 3% increase in the total rate yield for 2019/20 budget purposes, which will derive \$8,053,024 in rate revenue.
3. endorse the following differential general rates and minimum payments, with a total yield increase of 3% across all rating categories, and calls for public submissions pursuant to section 6.36 of the *Local Government Act 1995*:

Rate Category	Proposed Rate in \$	Proposed Minimum Payment
Residential	7.0359 cents	\$1,112
Commercial	10.6850 cents	\$1,663

(CARRIED UNANIMOUSLY)
(ABSOLUTE MAJORITY)

12.2.4 Endorsement of Strategic Resourcing Plan (Combined Asset Management and Long Term Financial Planning)

Applicant	Not Applicable
File ref	F/FNS2
Prepared by	Peter Kocian, Executive Manager Corporate Services
Supervised by	Gary Tuffin, Chief Executive Officer
Meeting Date:	16 April 2019
Voting requirements	Simple Majority
Documents tabled	Nil
Attachments	1. Strategic Resourcing Plan (Forecast Financial Statements)

Purpose

It is recommended that Council endorse the attached Forecast Financial Statements and the principal underlying revenue and expenditure assumptions.

Executive Summary

The Town engaged Moore Stephens to combine the existing Asset Management Plans and draft Long Term Financial Plan into an overarching Strategic Resourcing Plan. The combined plan contains all the necessary planning outcomes as set out in the Department's Framework and Guidelines for an Asset Management Plan and Long Term Financial Plan. One of the key objectives of this document is to define the Council's long term strategies to maintain financial and asset services to the community over the long term.

Background

The attached Forecast Financial Statements will be incorporated into a Strategic Resourcing Plan once they have been endorsed by Council. The Forecast Financial Statements have been developed based on the methodology below:

- The 2018/19 budget was uploaded to form the base year of the plan;
- Existing long term financial planning outcomes/documents were assessed;
- Capital works schedules were uploaded from the existing Asset Management Plans;
- Key assumptions and variables were developed;
- Financial information from other plans was uploaded (i.e. Recreation and Community Facilities Strategy 2016, Foreshore Master Plan 2016, East Fremantle Oval Precinct Revitalisation Project);
- Workshops were conducted with the Executive and Council to discuss key strategic financial issues and confirm the details and assumptions of the Plan.

The following forecast financial statement are included:

- Statement of Comprehensive Income by Program and by Nature or Type;
- Statement of Financial Position;
- Statement of Cashflows;
- Statement of Funding (Rate Setting Statement);
- Statement of Capital Funding; and
- Statutory Ratios

With regards to the asset management planning component, available asset data has been loaded into a lifecycle cost model to provide forecast renewal timings and costings. The following asset information will be included in the Strategic Resourcing Plan:

- Sources of asset information and related asset information;
- Levels of service for each asset category or identified actions required to provide a defined level of service within the Town's financial capacity;
- Asset demand forecasts;
- Asset risk management strategies;
- Financial information such as available asset values, depreciation rates, residual values, capital expenditure projections for new assets as a result of growth, or to renew, upgrade and extend assets;
- Strategies to manage any funding gaps;
- Any identified alternative service delivery solutions;
- Information on whole of life costing including changes in service potential for assets where available;
- A schedule for asset performance review and plan evaluation;
- An asset management improvement program; and
- Linkages to other strategic documents such as the Corporate Business Plan, Long Term Financial Plan, Workforce Plan and Annual Budget.

Once the Forecast Financial Statements have been endorsed by Council, a word document will be produced containing the following information in support of the forecast statements:

- Details of assumptions on which the plan has been developed;
- Projected income and expenditure;
- Methods of measuring performance – Key Performance Indicators;
- Sensitivity analysis and financial modelling scenarios;
- Major capital works schedules;
- Risk assessments of the impact of uncertainty on the Long Term Financial Plan ; and
- Cash reserves and borrowings.

Importantly, the financial model will be based in an excel workbook, meaning that data can easily be uploaded into the Annual Budget within the Towns Enterprise System (SynergySoft) to form the basis of the budget process.

Consultation

Council received a presentation on the Strategic Resourcing Plan at special Concept Forums on the 30 January 2019 and 26 February 2019.

Statutory Environment

The Strategic Resourcing Plan has been developed to meet the requirements of section 5.56 of the *Local Government Act 1995*, which states:

5.56 Planning for the future

- (1) A local government is to plan for the future of the district.*
- (2) A local government is to ensure that plans made under subsection (1) are in accordance with any regulations made about planning for the future of the district.*

Policy Implications

There are no Council Policies specific to this matter.

Financial Implications

Council has a legislative requirement to comply with the principles of sound financial management, of which a key component is the preparation of a Long Term Financial Plan. The Office of Auditor General is also required to undertake a performance audit of adverse financial trends in the financial position or the financial management practices of the local government. This will be limited a high level assessment of whether the 7 financial ratios reported in the notes to the financial report achieved the standards set by the Department of Local Government, Sport and Cultural Industries. Council is therefore requested to strongly consider the ratio analysis included in the Forecast Financial Statements as 3 of the ratios are below benchmark.

Strategic Implications

The matter being put to the Council is likely to have a direct impact on the strategies of the Council.

4.9 A financially sustainable Town – Provide financial management services to enable the Town to sustainably provide services to the community.

Site Inspection

Not applicable.

Risk Implications

Risk	Risk Likelihood (based on history & with existing controls)	Risk Impact / Consequence	Risk Rating (Prior to Treatment or Control)	Principal Risk Theme	Risk Action Plan (Controls or Treatment proposed)
Whilst the Strategic Resourcing Plan includes all cash flows, it primarily forecasts results based on existing activities and assumptions. There is an inherent risk that circumstances may change in the future, which may materially affect the projected financial statements	Possible (3)	Moderate (3)	Moderate (5-9)	FINANCIAL IMPACT \$250,001 - \$1,000,000	Manage by annual review.

Risk Matrix

Consequence Likelihood		Insignificant	Minor	Moderate	Major	Extreme
		1	2	3	4	5
Almost Certain	5	Moderate (5)	High (10)	High (15)	Extreme (20)	Extreme (25)
Likely	4	Low (4)	Moderate (8)	High (12)	High (16)	Extreme (20)
Possible	3	Low (3)	Moderate (6)	Moderate (9)	High (12)	High (15)
Unlikely	2	Low (2)	Low (4)	Moderate (6)	Moderate (8)	High (10)
Rare	1	Low (1)	Low (2)	Low (3)	Low (4)	Moderate (5)

A risk is often specified in terms of an event or circumstance and the consequences that may flow from it. An effect may be positive, negative or a deviation from the expected and may be related to the following objectives; occupational health and safety, financial, service interruption, compliance, reputation and environment. A risk matrix has been prepared and a risk rating is provided below. Any items with a risk rating over 16 will be added to the Risk Register, and any item with a risk rating over 16 will require a specific risk treatment plan to be developed.

Risk Rating	9
Does this item need to be added to the Town's Risk Register	No
Is a Risk Treatment Plan Required	No

Comment

Long term financial and asset management planning is a key element of the Integrated Planning and Reporting Framework. It provides the planning tool which enables local governments to determine their capacity to sustainably deliver the assets and services required by the community. The Strategic Resourcing Plan will inform the Corporate Business Plan, which in turn 'activates' the Strategic Community Plan. From these planning processes, annual budgets can be developed, which are aligned with strategic objectives.

The Forecast Financial Statements demonstrates the Town's capacity to meet short-term community and infrastructure needs as well as providing a level of asset renewal predictability in the longer term. It will be revised and updated annually. The annual update will review the assumptions, take into consideration economic conditions and inflation, and use current available financial information and forecasts. For these reasons, it is not a static document. Its purpose is to provide broad financial projections to assist in making key decisions.

There are generally two key drivers when undertaking long term financial and asset management planning:

1. Minimise the level of rate increases required to fund the Plan; and
2. Reflect the Town's commitment to balancing the community's affordability concerns with the community's expectations for continued levels of service and infrastructure.

The key revenue assumption in the Forecast Financial Statements is an increase of 3% in the annual rate yield. The increase in the annual rates yield is the sum of the rates increase and annual growth; and is the overall increase within the rating categories for residential and commercial properties. As the Forecast Financial Statements are based on the current economic environment, it does not include

a growth factor for any new major developments. As this growth is realised in outward years, the Plan will be reviewed and updated.

As mentioned under the financial implications heading, Council's attention is drawn to the key financial ratios. It is recommended that Council consider strategies to improve its financial ratios over the life of the Plan. The Current Ratio and Operating Surplus Ratio are below the benchmarks set by the Department. This is attributable to 3 main factors; a balanced Plan with a forecast surplus of \$0 at the end of each year (this will therefore always result in a current ratio below 1); an increase in depreciation expenses as a result of fair value accounting; and the net cash position derived from operating activities.

Any deviation from the pricing assumption of a 3% increase in total rate yield will lead to a deterioration in the above ratios.

12.2.4 OFFICER RECOMMENDATION/COUNCIL RESOLUTION 070419

Moved Cr White, seconded Cr A McPhail

That Council:

- 1. endorse the attached Forecast Financial Statements for the 15-year period 2019-2034, and the key underlying assumptions as follows, noting that these assumptions will be reviewed annually as part of the budget process:**
 - **Inflation 2%**
 - **Annual Rate Increases 3%**
 - **Annual Increase in Employee Costs 2%**
 - **Annual Increase in Fees and Charges 3%**
- 2. focus on improving the Town's net operating result over the long term, noting that a net operating surplus is not projected until the 2030/31 financial year.**
- 3. note that following the endorsement of the Forecast Financial Statements, that the Strategic Resourcing Plan will be finalised and presented to Council for adoption.**

(CARRIED UNANIMOUSLY)

12.2.5 Town Hall Art Acquisition and Collection – Recommendations from Public Art Panel

Applicant	Town of East Fremantle
File ref	A/ART
Prepared by	Wendy Cooke, Project Coordinator
Supervised by	Gary Tuffin, Chief Executive Officer
Date of Meeting	16 April 2019
Voting requirements	Simple Majority
Documents tabled	Nil.
Attachments	1. Public Art Panel Selections/Recommendations

Purpose

To seek Council endorsement of the recommendations from Public Art Panel for the purchase of a new art collection for installation in the East Fremantle Town Hall.

Executive Summary

The Town has engaged consultant *Apparatus Public Art – Cultural Services* to prepare an art acquisition proposal report with suggested artwork for purchase to install in the Town Hall. The Town of East Fremantle Art Collection Acquisition Report (the Report) was circulated to the Public Art Panel for consideration and recommendations have been collated for Council consideration.

Background

The Report provided a comprehensive list of artworks recommended for purchase. The works for consideration were selected in the following categories –

- East Fremantle artists
- Fremantle artists
- Western Australian artists
- Antique Prints
- Historic Photographic Prints

All artworks recommended are currently listed as saleable items, with one exception – the recommended list is attached. Most artwork is ready to display, however any purchased prints will require framing.

The recommendations put forward have been selected in accordance with the acquisition selection criteria set out in the Draft Collection Management Policy included in the Report. A summary of which is below:

The item must:

- *enhance the current scope of the Art Collection;*
- *be an unconditional donation or purchase;*
- *have the capacity to be placed on display without hindrance to public access or safety, and without breaching the artist's moral rights;*
- *have the necessary resources allocated to resolve all foreseeable issues related to conservation, presentation and storage, as part of the acquisition;*
- *be a quality example that will be a significant addition to the Collection;*
- *fit within the guidelines provided in the priority areas for art acquisition.*

Specific Acquisition Criteria

Artwork recommended for acquisition is required to meet one or more of the following priorities.

The item must:

- i. *represent significant periods, occasions and urban initiatives in the evolution of the Town of East Fremantle;*
- ii. *build upon the strengths of existing holdings of the Art Collection;*
- iii. *represent the artistic practice of emerging and established Western Australian artists or artists residing in Western Australia who have received acclaim for their work locally, nationally and internationally;*
- iv. *represent contemporary art practice and support the work of new artists and recent work by established artists;*
- v. *strengthen and add to an existing series of works;*
- vi. *build on identifiable themes within the whole Collection;*
- vii. *be informed by or identifiably associated with the Town of East Fremantle.*

Statutory Environment

N/A

Policy Implications

Policy 4.1.6 – Public Art Panel – no policy implications.

Financial Implications

Council has made a budget provision of \$68,000 through its Public Art Program. \$21,000 of this amount is allocated to the Town Hall Art Acquisition program.

Other costs will be incurred in relation to the framing and hanging of the artwork.

Strategic Implications

The Town of East Fremantle **Strategic Community Plan 2017-2027** states:

Strategic Priority 1 – Social – A socially connected, inclusive and safe community

1.1 Facilitate appropriate local services for the health and wellbeing of the community

- 1.1.1 *Facilitate or partner to ensure a range of quality services are provided at a local level*
- 1.1.2 *Strengthen the sense of place and belonging through inclusive community interaction and participation.*

1.2 Inviting open spaces, meeting places and recreational facilities

- 1.2.1 *Provision of adequate recreational, sporting and social facilities*
- 1.2.2 *Activate inviting open spaces that encourage social connection*

1.3 Strong community connection within a safe and vibrant lifestyle

- 1.3.1 *Partner and educate to build a strong sense of community safety*
- 1.3.2 *Facilitate opportunities for people to develop community connections and foster local pride*
- 1.3.3 *Enrich identity, culture and heritage through programs, events and celebrations develop community connections and foster local pride*
- 1.3.4 *Facilitate community group capacity building*

Risk Implications

Risk	Risk Likelihood (based on history & with existing controls)	Risk Impact / Consequence	Risk Rating (Prior to Treatment or Control)	Principal Risk Theme	Risk Action Plan (Controls or Treatment proposed)
No significant risks identified					

Site Inspection

Apparatus conducted a site inspection at the Town Hall at the beginning of the project to view the refurbished Town Hall and subsequent wall spaces.

Comment

The works selected will be situated on display in the East Fremantle Town Hall.

There are approximately 47 vertical wall surfaces of varying dimensions throughout the Ground and First Floor of the Town Hall that are in consideration.

Town staff will work with Apparatus to determine where the various artworks will be placed.

12.2.5 OFFICER RECOMMENDATION/COUNCIL 080419

Moved Cr Harrington, seconded Cr White

That Council authorise the purchase of the artwork contained within the attached report as recommended by the Public Art Panel.

(CARRIED 7:2)



13. **MOTIONS OF WHICH PREVIOUS NOTICE HAS BEEN GIVEN**
Nil.
14. **NOTICE OF MOTION FOR CONSIDERATION AT THE NEXT MEETING**
Nil.
15. **QUESTIONS BY MEMBERS OF WHICH DUE NOTICE HAS BEEN GIVEN**
Nil.
16. **NEW BUSINESS OF AN URGENT NATURE**
Nil.
17. **MATTERS BEHIND CLOSED DOORS**
Nil.
18. **CLOSURE**
There being no further business, the Presiding Member declared the meeting closed at 7.41pm.

*I hereby certify that the Minutes of the meeting of the **Council** of the Town of East Fremantle, held on **16 April 2019**, Minute Book reference **1. to 18.** were confirmed at the meeting of the Council on*

21 MAY 2019.....

A handwritten signature in blue ink, appearing to read 'D. J. J. J.', written over a horizontal line.

Presiding Member