



MINUTES

Council Meeting

Tuesday, 17 March 2020 at 6.31pm

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. 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	2
4.3.1	Cr Donovan - 12.1.3 Three Year Funding Agreement – Glyde In Community Learning Centre	2
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
6.2.1	R James, 75 Fortescue Street – Item 12.2.1 2018/19 Electors’ Meeting	2
7.	APPLICATIONS FOR LEAVE OF ABSENCE	2
8.	CONFIRMATION OF MINUTES OF PREVIOUS MEETING	2
8.1	Meeting of Council (18 February 2020)	2
8.2	Meeting of Council (25 February 2020)	2
9.	ANNOUNCEMENTS BY THE PRESIDING MEMBER	2
10.	UNRESOLVED BUSINESS FROM PREVIOUS MEETINGS	3
11.	REPORTS AND RECOMMENDATIONS OF COMMITTEES	4
11.1	Town Planning Committee Meeting (3 March 2020)	4
12.	REPORTS	5
12.2	GOVERNANCE	5
12.2.1	2018/19 Elector’s Meeting	5
11.	REPORTS AND RECOMMENDATIONS OF COMMITTEES (CONTINUED)	10
11.2	Audit Committee (11 March 2020)	10
12.	REPORTS (CONTINUED)	12
12.1	FINANCE	12

12.1.5	Three (3) Year Funding Agreement - Glyde-In Community Learning Centre	12
12.1.1	Statement of Financial Activity for 29 February 2020	15
12.1.2	Accounts for Payment – February 2020	19
12.1.3	Mid-Year Review of 2019/20 Budget for period 1 July 2019 to 31 December 2019	22
12.1.4	East Fremantle Primary School Kindy Proposed Upgrade to a Community Facility	32
12.2	GOVERNANCE (CONTINUED)	36
12.2.2	Local Government House Trust – Deed of Variation	36
12.2.3	South West Group Corporate Governance Charter 2020/21 to 2024/25	39
12.2.4	Waste Services Report	43
13.	MOTIONS OF WHICH PREVIOUS NOTICE HAS BEEN GIVEN	48
14.	NOTICE OF MOTION FOR CONSIDERATION AT THE NEXT MEETING	48
15.	QUESTIONS BY MEMBERS OF WHICH DUE NOTICE HAS BEEN GIVEN	48
16.	NEW BUSINESS OF AN URGENT NATURE	48
17.	MATTERS BEHIND CLOSED DOORS	48
18.	CLOSURE	48

**MINUTES OF THE ORDINARY MEETING OF COUNCIL HELD IN THE COUNCIL CHAMBER, 135
CANNING HIGHWAY EAST FREMANTLE ON TUESDAY 17 MARCH 2020.**

1. OFFICIAL OPENING

The Presiding Member opened the meeting at 6.31pm

2. ACKNOWLEDGEMENT OF COUNTRY

“On behalf of the Council I would like to acknowledge the Whadjuk people of the Nyoongar nation as the traditional custodians of the land on which this meeting is taking place and pay my respects to Elders past, present and emerging.

3. RECORD OF ATTENDANCE

3.1 Attendance

The following members were in attendance:

Mayor J O’Neill	Presiding Member
Cr C Collinson	
Cr K Donovan	
Cr A McPhail	
Cr M McPhail	
Cr A Natale	
Cr D Nardi	
Cr J Harrington	
Cr A Watkins	

The following staff were in attendance:

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

There were six 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 Donovan - 12.1.3 Three Year Funding Agreement – Glyde In Community Learning Centre

Cr Donovan made an impartiality declaration in the above matter as she is Treasurer of Glyde-In Community Centre.

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 R James, 75 Fortescue Street – Item 12.2.1 2018/19 Electors’ Meeting

Mrs James addressed the meeting in support of the climate change recommendation carried at the recent Electors’ Meeting.

7. APPLICATIONS FOR LEAVE OF ABSENCE

Nil.

8. CONFIRMATION OF MINUTES OF PREVIOUS MEETING

8.1 Meeting of Council (18 February 2020)

8.1 OFFICER RECOMMENDATION

Moved Cr Harrington, seconded Cr Donovan

That the minutes of the Ordinary meeting of Council held on Tuesday, 18 February 2020 be confirmed as a true and correct record of proceedings.

(CARRIED UNANIMOUSLY)

8.2 Meeting of Council (25 February 2020)

8.2 OFFICER RECOMMENDATION

Moved Cr Nardi, seconded Cr Watkins

That the minutes of the Special meeting of Council held on Tuesday, 25 February 2020 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

11.1 Town Planning Committee Meeting (3 March 2020)

File ref	C/MTP1
Prepared by	Andrew Malone, Executive Manager Regulatory Services
Meeting Date:	17 March 2020
Voting requirements	Simple Majority
Documents tabled	Nil
Attachments	1. Town Planning Committee Minutes

Purpose

To submit the minutes and delegated decisions of the Town Planning Committee for receipt by Council.

Executive Summary

The Committee, at its meeting on 3 March 2020, exercised its delegation in two statutory matters where at least four members voted in favour of the Reporting Officer's recommendations or the Executive Manager Regulatory Services supported the amended resolution. A third matter was deferred pending consultation with the applicant.

Consultation

Town Planning Committee.

Statutory Environment

Nil.

Policy Implications

Nil.

Strategic Implications

Nil.

Site Inspection

Not applicable.

Comment

The unconfirmed minutes of the Town Planning Committee meeting are now presented to Council to be received.

11.1 COMMITTEE RECOMMENDATION/COUNCIL RESOLUTION 010320

**Moved Cr Watkins, seconded Cr Harrington
That the unconfirmed Minutes of the Town Planning Committee Meeting held on 3 March 2020 be received.**

(CARRIED UNANIMOUSLY)



ORDER OF BUSINESS

Moved Mayor O'Neill, seconded Cr M McPhail

That the order of business be changed to allow members of the gallery to be present during consideration of specific agenda items.

(CARRIED UNANIMOUSLY)

12. REPORTS

12.2 GOVERNANCE

12.2.1 2018/19 Elector's Meeting

Applicant	Town of East Fremantle
File ref	C/ELM1
Prepared by	Janine May, Executive Assistant to CEO
Supervised by	Gary Tuffin, Chief Executive Officer
Date of Meeting	17 March 2020
Voting requirements	Simple Majority
Documents tabled	Nil
Attachments	1. Minutes of Annual Electors' Meeting 25 February 2020 2. Other Sustainability Projects

Purpose

To present the Minutes of the 2018/19 Annual Electors' Meeting and facilitate consideration of any decisions taken at the meeting.

Executive Summary

This report documents items raised at the Annual Electors' Meeting and resulting proposed action.

Background

Council held its Annual Electors' Meeting on Tuesday, 25 February 2020 which was attended by 24 members of the public.

A copy of the minutes were circulated to all elected members on the 28 February 2020.

Council's also resolved on the 19 November 2019 as follows;

The Council;

- 1. recognises the climate emergency and supports WALGA's request for all levels of Government to work in partnership in an attempt to address this matter.*
- 2. adopts more strategies to play its role in trying to minimise our impact on climate change.*

(CARRIED UNANIMOUSLY)

Statutory Environment

Under Section 5.33(1) of the *Local Government Act 1995*, all decisions made at an Electors' Meeting "are to be considered at the next ordinary council meeting or, if that is not practicable at the next meeting thereafter".

Section 5.33(2) of the Act provides that *if* the Council makes a decision in response to a decision made at an Electors' Meeting, the reasons for the decision are to be recorded in the minutes.

Policy Implications

There are no policy implications.

Financial Implications

The Waste Education Officer's (WEO) position is currently budgeted for in 2019/20, and a salary provision was also included in the current (balanced) Strategic Resource Plan (15 Year Long Term Financial Plan).

In addition to WEO's employment costs, a provision of \$50,000 pa has been made for the continuation of the related education programs in the Strategic Resource Plan.

Strategic Implications

STRATEGIC PRIORITY 4 – Natural Environment

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

Objectives <i>What we need to achieve</i>	Strategies <i>How we're going to do it</i>	Measures of Success <i>How we will be judged</i>
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	<ul style="list-style-type: none"> Community perception of value of the Town's conservation and management Recycling Rates – kilogram per capita (maintain and aim to improve) Waste to landfill – kilograms per capita (maintain or decrease)
	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	

STRATEGIC PRIORITY 5: Leadership & Governance

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

Site Inspection

N/A

Comment

Apart from receiving the Minutes of the previous Electors' Meeting and the 2018/2019 Annual Report, the following motion was carried unanimously:

Moved Mrs S Booth, seconded Mrs M Flynn

That Council is requested to act with urgency to:

- (i) develop a Community Climate Action Plan (CCAP) identifying ambitious targets, the corporate projects, role modelling and leadership actions Council will undertake to build a responsive community working actively to reduce its carbon emissions 'footprint';***
- (ii) develop the CCAP within a prescribed time and provide the needed resources, including ongoing employment of a sustainability manager to coordinate action for a successful CCAP;***
- (iii) develop the CCAP drawing on scientific and corporate knowledge, the experience and achievements of other local government authorities and creative local community input;***
- (iv) host, in the near future, the first of a series of community forums with the participation of climate change experts to build residents' awareness of, support for and active engagement in the CCAP agenda; and***
- (v) establish an expert climate action reference group, including community representation, to guide the development and implementation of the CCAP.***

(CARRIED UNANIMOUSLY)

Commentary on the motion

Administration have undertaken an initial investigation into the likely implications of the Electors' motion in relation to a Community Climate Action Plan (CCAP) and related matters. It has been identified there will be a requirement for additional resources for the implementation of such a plan (CCAP). More specifically, the need to engage a fulltime Sustainability Officer. This position would be responsible for overseeing the development and implementation of CCAP and other climate change initiatives. This resource is considered crucial to ensure the successful implementation of the proposed CCAP.

The existing Waste Education Officer is currently working on the following new initiatives:

- Develop surveys for residents on the types of Environmental initiatives and projects they wish to be undertaken in the Town.
- Investigate the installation of renewable energy options including solar panels on the Town's facilities including the Town Hall.
- Formation of a Sustainable Events Policy, in conjunction with the PEHO and CCB officer to combat waste at community events.
- Ongoing policies in the area of Environmental, Sustainability and waste initiatives to further progress the Towns operations into the future.
- Providing input into developing Town's Tree Preservation Policy and verge guidelines as well as coastal erosion management.
- Implementation and reporting of the Water Corporation's Water Wise Program e.g. mandatory pool covers.

Attachment 2 provides further possible sustainability projects.

To address sustainability and climate change initiatives, administration support the formation of a community led CCAP to investigate how the Town may be able to reduce its ongoing carbon emissions footprint.

As mentioned above, this initiative will require additional resources and as noted in the motion, a significant part of this is to drive the CCAP through a series of community forums with the participation of climate change experts to build residents' awareness of, support for and active engagement in the CCAP agenda. Actions such as establishing an expert Climate Action Reference Group (CARG), including community representation, to guide the development and implementation of the CCAP will require formulation of terms of reference.

It is recommended the Electors' motion be supported and administration commence work to progress a draft CCAP for Council's further consideration.

12.2.1 OFFICER RECOMMENDATION

1. That the minutes of the Electors' meeting held on 25 February 2020 be received.
2. That Council:
 - (a) instruct the Chief Executive Officer to develop a Community Climate Action Plan (CCAP) within a 12 month period, identifying ambitious targets, corporate projects, role modelling and leadership actions Council will undertake to build a responsive community working actively to reduce its carbon emissions 'footprint';
 - (b) authorises an amendment to the Town's Workforce Plan that would convert the existing Waste Education Officer position to a Waste/Sustainability Officer on a full time basis to oversee the development and implementation of the CCAP and other sustainability and waste initiatives;
 - (c) will, subject to the finalisation and endorsement of a CCAP, commit what it determines as reasonable resources to ensure the success of the CCAP.
 - (d) will host, in the near future, the first of a series of community forums with the participation of climate change experts to build residents' awareness of, support for and active engagement in the CCAP agenda; and
 - (e) will establish a Climate Action Reference Group, including community representation, to assist with the development of the CCAP, and to monitor its (CCAP) progress.

*Moved Cr Harrington, seconded Cr Collinson
The adoption of the Officer's recommendation*

Amendment

Moved Cr Natale, seconded Cr M McPhail

That the following become part (f) of the motion:

- (f) **request that the CEO investigate the establishment of a Reserve Fund called the Sustainability Initiatives Reserve, to be used to fund future sustainability programs and projects.**

(CARRIED UNANIMOUSLY)

The substantive motion, as amended, was put.

SUBSTANTIVE MOTION/COUNCIL RESOLUTION 020320

Moved Cr Harrington, seconded Cr Collinson

- 1. That the minutes of the Electors' meeting held on 25 February 2020 be received.**
- 2. That Council:**
 - (a) instruct the Chief Executive Officer to develop a Community Climate Action Plan (CCAP) within a 12 month period, identifying ambitious targets, corporate projects, role modelling and leadership actions Council will undertake to build a responsive community working actively to reduce its carbon emissions 'footprint';**
 - (b) authorises an amendment to the Town's Workforce Plan that would convert the existing Waste Education Officer position to a Waste/Sustainability Officer on a full time basis to oversee the development and implementation of the CCAP and other sustainability and waste initiatives;**
 - (c) will, subject to the finalisation and endorsement of a CCAP, commit what it determines as reasonable resources to ensure the success of the CCAP.**
 - (d) will host, in the near future, the first of a series of community forums with the participation of climate change experts to build residents' awareness of, support for and active engagement in the CCAP agenda; and**
 - (e) will establish a Climate Action Reference Group, including community representation, to assist with the development of the CCAP, and to monitor its (CCAP) progress.**
 - (f) request that the CEO investigate the establishment of a Reserve Fund called the Sustainability Initiatives Reserve, to be used to fund future sustainability programs and projects.**

(CARRIED UNANIMOUSLY)

11. REPORTS AND RECOMMENDATIONS OF COMMITTEES (CONTINUED)

11.2 Audit Committee (11 March 2020)

File ref	C/MTP1
Prepared by	Peter Kocian, Executive
Meeting Date:	17 March 2020
Voting requirements	Simple Majority
Documents tabled	Nil
Attachments	<ol style="list-style-type: none">1. Audit Committee Minutes2. Amended Policy – Investment of Surplus Funds3. Summary of Investments September 2019 to January 2020

Purpose

To submit the minutes of the Audit Committee for receipt and adoption by Council.

Executive Summary

The Committee, at its meeting on 11 March 2020, provided recommendations on three officer reports. As the Committee has no delegation, recommendations relating to Audit Agenda Items 10.1 and 10.2 are submitted to Council for consideration.

The recommendation relating to Item 10.1 Investment Policy, included within this report, was not supported by the Committee (LOST 2:3). The Committee's reason for not supporting the Officer's recommendation was that:

"the opportunity cost of foregone interest was considered to be too great as the Town is dealing with the public purse, and there is currently only one bank that meets the credit risk exposure for divestment."

Item 10.2 Mid Year Review of 2019/20 Budget for period 1 July 2019 to 31 December 2019 has been listed as a separate report within this Council Agenda.

Consultation

Audit Committee.

Statutory Environment

Nil.

Policy Implications

Nil.

Strategic Implications

Nil.

Site Inspection

Not applicable.

Comment

The unconfirmed minutes and recommendations of the Audit Committee meeting are now presented to Council to be received and adopted.



11.2.1 OFFICER RECOMMENDATION/COUNCIL RESOLUTION 030320

Moved Cr Collinson , seconded Cr Watkins

Investment Policy – Notice of Motion Councillor Collinson

That Council:

1. amend the Investment of Surplus Funds Policy to provide a price preference to financial institutions, that are deemed not to invest in or finance the fossil fuel industry, of 10 basis points (0.1%) below the most favourable market quotation.
2. request the Chief Executive Officer (or his delegate) to divest longer maturing investments such as Reserve Funds and Trust Funds (as current term deposits mature), on the proviso that credit exposures are managed in accordance with the Investment of Surplus Funds Policy.

(CARRIED 7:2)

11.2.2 OFFICER RECOMMENDATION/COUNCIL RESOLUTION 040320

Moved Cr Natale, seconded Cr Harrington

That the unconfirmed Minutes of the Audit Committee Meeting held on 11 March 2020 be received.

(CARRIED UNANIMOUSLY)

Cr Donovan declared an impartiality interest in the following item as Treasurer of the Glyde-In Community Learning Centre and elected to leave the meeting at 7.14pm

12. REPORTS (CONTINUED)

12.1 FINANCE

12.1.5 Three (3) Year Funding Agreement - Glyde-In Community Learning Centre

Applicant	Not Applicable
File ref	P/GLY42
Prepared by	Peter Kocian, Executive Manager Corporate Services
Supervised by	Gary Tuffin, Chief Executive Officer
Meeting Date:	17 March 2020
Voting requirements	Absolute Majority
Documents tabled	Nil
Attachments	1. Funding Agreement – Glyde-In Community Learning Centre

Purpose

This report recommends that Council approve the 3-year funding agreement between the Town of East Fremantle and the Glyde-In Community Learning Centre as presented.

Executive Summary

The Town of East Fremantle is an inaugural partner of the Glyde-In Community Learning Centre, and as such, Council is requested to approve the funding agreement as presented, pursuant to Council Resolution 060619.

Background

Council considered the Towns funding arrangements with the Glyde-In Community Learning Centre at the Ordinary Meetings of May and June 2019.

Council resolution 060619 states:

12.1.6 OFFICER RECOMMENDATION/COUNCIL RESOLUTION 060619

Moved Cr Collinson, seconded Cr Harrington

That Council resolve:

1. to approve a total budget allocation (cash) of \$87,000 with no in-kind contribution for the Glyde-In Community Learning Centre, for inclusion in the 2019/20 Budget.
2. the proposed Glyde-In Community Learning Centre 3 year Funding Agreement be amended accordingly, and include a provision for an annual CPI increase for future cash contributions - (2020/21) onwards.

(CARRIED UNANIMOUSLY)

Consultation

The Executive Manager Corporate Services met with representatives from the Glyde-In on 21 February 2020 to finalise the Funding Agreement as presented.

Statutory Environment

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*.

Policy Implications

There are no Council Policies relevant to this item.

Financial Implications

A 3-year funding agreement is proposed, with funding appropriations to be included in the Town's Strategic Resource Plan.

Legal costs associated with the preparation of the Funding Agreement amounted to \$1775.53 (GST Inc.). This cost is borne by the Town.

Strategic Implications

The Town of East Fremantle has been a long-term partner of the Glyde-In Community Learning Centre for nearly 40 years. This partnership falls within Strategic Priority 1: Social of the Strategic Community Plan:

- 1.1. Facilitate appropriate local services for the health and wellbeing of the community
- 1.2. Inviting open spaces, meeting places and recreational facilities
- 1.3. Strong community connection within a safe and vibrant lifestyle

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 not approve funding for the Glyde-In resulting in a reduction in the level of service	Unlikely (2)	Major (4)	Moderate (5-9)	SERVICE INTERRUPTION Prolonged interruption of services - additional resources; performance affected < 1 month	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	8
Does this item need to be added to the Town's Risk Register	No
Is a Risk Treatment Plan Required	No

Comment

Council has provided operating funding to the Glyde-In Community Learning Centre for many years, with Councils funding contribution growing from \$30,000 in 2002/03 to over \$80,000 for the last eight financial years. This annual contribution accounts for over 25% of the Glyde-In's operating income.

Given the long-term nature of the partnership with the Glyde-In Community Learning Centre, it was recommended that Council establish a 3-year funding agreement to achieve the following:

- Provide the Glyde-In Community Learning Centre with certainty of funding and hence planning for the next 3 years;
- Formally recognise the role that the Glyde-In Community Learning Centre contributes in fostering community development, learning and social inclusion;
- Formally recognise the Town of East Fremantle as a service partner;
- Establish a governance and reporting framework between the Town of East Fremantle and the Glyde-In Community Learning Centre.

The proposed Funding Agreement is for a 3-year period, commencing 1 July 2020 and expiring on 30 June 2023. The Funding Amount in year 1 is \$87,000 (ex GST), to be indexed for the Perth CPI for the remaining two years.

12.1.5 OFFICER RECOMMENDATION/COUNCIL RESOLUTION 050320

Moved Cr Collinson , seconded Cr Harrington

That Council:

1. authorise the Mayor and Chief Executive Officer to sign and affix the Common Seal to the 3 year Funding Agreement between the Town of East Fremantle and Glyde-In Community Learning Centre Incorporated, as presented.
2. pursuant to section 6.8 of the *Local Government Act 1995*, approve the following forward budget allocations, for inclusion in the Annual Budget and Strategic Resource Plan:
2020/21 \$87,000 (ex GST)
2021/22 \$87,000 (ex GST) plus Perth CPI March 2021
2022/23 \$87,000 (ex GST) plus Perth CPI March 2021 plus Perth CPI March 2022

(CARRIED UNANIMOUSLY)

Cr Donovan returned to the meeting at 7.21pm and it was noted she did not speak or vote on the previous motion.

12.1.1 Statement of Financial Activity for 29 February 2020

Applicant	Not Applicable
File ref	F/FNS2
Prepared by	Peter Kocian, Executive Manager Corporate Services
Supervised by	Gary Tuffin, Chief Executive Officer
Meeting Date:	17 March 2020
Voting requirements	Simple Majority
Documents tabled	Nil
Attachments	1. Statement of Financial Activity 29 February 2020 2. Capital Works Report 4 March 2020

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 29 February 2020.

Executive Summary

A Monthly Financial Report workbook has been prepared to provide an overview of key financial activity. Two Statements of Financial Activity are provided, 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 2020.

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 2019/20 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 2019/20 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 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 Report is 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

Management team

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.

As part of the adopted 2019/20 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 2019/20 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.

Strategic Implications

The monthly financial report is the key financial reporting mechanism to Council, to provide oversight of the financial management of the local government. This ties into the Strategic Community Plan as follows:

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

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)
Inadequate oversight of the financial position of the Town may result in adverse financial trends	Rare (1)	Major (4)	Low (1-4)	FINANCIAL IMPACT \$50,000 - \$250,000	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	4
Does this item need to be added to the Town's Risk Register	No
Is a Risk Treatment Plan Required	No

Site Inspection

Not applicable.

Comment

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

	Original Budget	Year to Date Budget - February	February Actuals
Opening Surplus	758,451	775,201	951,855
Operating Revenue	10,632,263	9,916,600	9,732,410
Operating Expenditure	(12,141,244)	(8,182,550)	(7,485,521)
Capital Expenditure	(3,816,857)	(2,337,713)	(1,517,131)
Capital Income	919,567	687,076	365,145
Net Transfers from Reserves	1,182,814	520,000	506,032
Non-Cash Items	2,465,204	1,640,903	1,064,645
Closing Surplus	0	3,019,516	3,617,436
Unrestricted Cash			3,724,296
Restricted Cash			1,688,143

- Depreciation, plant cost recoveries and activity based cost distributions have been processed;
- A Capital Works Report is being auto generated 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. 34% of budgeted capital works has been expended by the end of February;
- 88% of total rates levied (including arrears) were collected by the end of February. The due date for rates was the 6 September. Final notices have been issued. The due date for 4th instalments is 11 March. Approximately \$140k in rates are subject to formal debt recovery processes;
- There is a material non-cash variance impacting depreciation expense. As part of the infrastructure revaluation as at 30 June 2018, turf on parks and ovals was assessed to have a remaining useful life of 1 year, resulting in a depreciation rate of 93.21% for 2018/19 and annual depreciation expense of \$1.18m. Turf assets are now fully depreciated, and is now assessed as a non-depreciable asset under the Town's significant accounting policies. The premise being that if turf is maintained that's is service potential is perpetual. This change in accounting treatment was presented to the Office of Auditor General in a Management Memo, and has been accepted.

The Statements of Financial Activity have been updated to include additional columns; being the annual budget entered in the financial system (SynergySoft), and the current budget. The current budget captures all budget variations that have approved by Council since the original budget adoption.

12.1.1 OFFICER RECOMMENDATION/COUNCIL RESOLUTION 060320

Moved Cr Watkins, seconded Cr A McPhail

That Council:

- 1. receives the Monthly Financial Report (Containing the Statement of Financial Activity) for the month ended 29 February 2020.**
- 2. notes the municipal surplus of \$3,617,435, which comprises of \$3,724,296 in unrestricted cash, as at 29 February 2020.**
- 3. receives the Capital Works Report dated 4 March 2020.**

(CARRIED UNANIMOUSLY)

12.1.2 Accounts for Payment – February 2020

File ref	F/FNS2
Prepared by	John Mondini, Manager, Finance & Administration
Supervised by	Peter Kocian, Executive Manager, Corporate Services
Meeting Date	17 March 2020
Voting requirements	Simple Majority
Documents tabled	Nil
Attachments	1. Monthly List of Payments – February 2020

Purpose

That Council, in accordance with regulation 13(1) of the *Local Government (Financial Management) Regulations 1996*, RECEIVES the list of payments made under delegated authority for the months ended 29 February 2020 and recorded in the minutes of the Council.

Executive Summary

Council has an Executive role in receiving the list of payments pursuant to Regulation 13(1) of the *Local Government (Financial Management) Regulations 1996*. It is therefore recommended that Council receives the Lists of Accounts paid for the periods 1 February to 29 February 2020, 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.

The bulk of payments are processed by electronic funds transfer (EFT) with the exception of Water Corporation accounts which are paid by cheque and the occasional reimbursements and refunds.

Consultation

Nil.

Statutory Environment

Regulation 13: *Local Government (Financial Management) Regulations 1996 (as amended)* requires Local Governments to prepare a list of payments made under delegated authority to be prepared and presented to Council on a monthly basis.

Policy Implications

Policy 2.1.3 Purchasing. All supplier payments are approved under delegated authority pursuant to the authorisation limits outlined in Council's 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

5.1 Strengthen organisational accountability and transparency

5.3 Strive for excellence in leadership and governance

Site Inspection

Not applicable.

Comment

Payments for the month of February 2020 include the following significant items:

Payee	Particulars	Amount
Perth Festival	Sponsorship – Closing Event Highway to Hell	22,000.00
Australian Taxation Office	GST & PAYG Tax	40,392.00
Prime Civil Pty Ltd	Various Carpark, Kerbing, Bollards works	40,602.92
Cardno	Integrated Traffic Management Plan – Progress Payment	20,592.00
Pothole Masters Pty Ltd	Fletcher Street Footpath	61,220.50
Prime Civil	Carparks works	91,390.28
Jupps Floorcoverings	Removal & replacement vinyl flooring Richmond Pre-Primary School	23,353.00

12.1.2 OFFICER RECOMMENDATION/COUNCIL RESOLUTION 070320

Moved Cr A McPhail, seconded Cr Natale

That Council, in accordance with regulation 13(1) of the *Local Government (Financial Management) Regulations 1996*, **RECEIVES** the list of payments made under delegated authority for the month ended 29 February 2020 and recorded in the Minutes of the Council.

FEBRUARY 2020		
Voucher No	Account	Amount
5274 – 5280	Municipal (Cheques)	9,058.70
EFT29123 – EFT29252	Municipal (EFT)	\$552,767.02
Payroll	Municipal (EFT)	\$265,782.98
Direct Debits	Municipal (Direct Debit)	\$51,424.36
	Total Payments	\$ 879,033.06

(CARRIED UNANIMOUSLY)

12.1.3 Mid-Year Review of 2019/20 Budget for period 1 July 2019 to 31 December 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:	17 March 2020
Voting requirements	Absolute Majority
Documents tabled	Nil
Attachments	1. Statement of Financial Activity including Budget Review

Purpose

Council is requested to consider and adopt the budget review as presented in the Statement of Financial Activity by Program and Statement of Financial Activity by Nature and Type for the period 1 July 2019 to 31 December 2019.

Executive Summary

The *Local Government (Financial Management) Regulations 1996*, regulation 33A, requires that local governments conduct a budget review between 1 January and 31 March in each financial year. A copy of the review and determination is to be provided to the Department of Local Government within 30 days of the adoption of the review.

Background

A Statement of Financial Activity incorporating year to date budget variations and forecasts to 30 June 2020 for the period ending 31 December 2019 is presented to Council to consider.

Forecasts for the 30 June 2020 have been assigned to all accounts, resulting in a forecast surplus position of \$2,362, which is a favourable result compared to the adopted budget (surplus of nil) and amended budget (deficit of \$24,662).

This matter was considered and supported by the Audit Committee at its meeting held on 11 March 2020.

Consultation

Management team

Statutory Environment

Regulation 33A (Review of Budget) of the *Local Government (Financial Management) Regulations 1996*, as amended, requires the local government to carry out a review of its annual budget between 1 January and 31 March each year as follows:

33A. Review of budget

- (1) *Between 1 January and 31 March in each financial year a local government is to carry out a review of its annual budget for that year.*
- (2A) *The review of an annual budget for a financial year must —*
 - (a) *consider the local government's financial performance in the period beginning on 1 July and ending no earlier than 31 December in that financial year; and*

- (b) *consider the local government's financial position as at the date of the review; and*
 - (c) *review the outcomes for the end of that financial year that are forecast in the budget.*
- (2) *Within 30 days after a review of the annual budget of a local government is carried out it is to be submitted to the council.*
- (3) *A council is to consider a review submitted to it and is to determine* whether or not to adopt the review, any parts of the review or any recommendations made in the review.*
**Absolute majority required.*
- (4) *Within 30 days after a council has made a determination, a copy of the review and determination is to be provided to the Department.*

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.

As part of the adopted 2019/20 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.

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.

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 schedule of budget variations impacting service delivery	Rare (1)	Moderate (3)	Low (1-4)	SERVICE INTERRUPTION Prolonged interruption of services - additional resources; performance affected < 1 month	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	3
Does this item need to be added to the Town's Risk Register	No
Is a Risk Treatment Plan Required	No

Site Inspection

Not applicable.

Comment

A budget review was undertaken during January and February 2020 based on the December 2019 financial statements in accordance with the requirements of the *Local Government (Financial Management) Regulation 33A*.

In discussing proposed budget amendments, recommended budget variations are categorised as either Favourable, Unfavourable or Contra. This status relates to their impact on the Town's net current asset position. As an example, a project that is fully funded by grants or reserves would generally be a contra entry – that is, it will have a nil impact on net current assets as the

expenditure is fully supported by specific source funding. The balance of net current assets is a key indicator of the Town's ability to meet its debts and obligations as and when they fall due, and its financial flexibility in responding to opportunities, such as dollar for dollar grants, as and when required.

In constructing the mid-year budget review, forecasts for the 30 June 2020 have been assigned to all accounts, and are being reported in the Statement of Financial Activity by Program and Statement of Financial Activity by Nature and Type at a summary level. A copy of these financial statements is provided below:

TOWN OF EAST FREMANTLE
STATEMENT OF FINANCIAL ACTIVITY
(Statutory Reporting Program)
For the Period Ended 31 December 2019

	Note	Annual Budget - Hardcoded	Annual Budget - Synergy	Current Budget	Amended YTD Budget (a)	YTD Actual (b)	Forecast 30 June 2020	Var. \$ (b)-(a)	Var. % (b)/(a)	Var. %
		\$	\$	\$	\$	\$	\$	\$	%	%
Opening Funding Surplus(Deficit)	3	758,451	758,451	775,201	758,451	951,855	951,855	193,404	25%	
Revenue from operating activities										
Governance		10,000	10,000	10,000	5,000	4,858	25,000	(142)	(3%)	
General Purpose Funding - Rates	9	8,045,480	8,451,394	8,451,394	8,274,937	8,072,254	8,248,005	(202,683)	(2%)	
General Purpose Funding - Other		405,914					0	0		
Law, Order and Public Safety		33,700	33,700	33,700	29,350	22,845	28,700	(6,505)	(22%)	
Health		14,400	14,400	14,400	7,200	12,813	17,900	5,613	78%	
Education and Welfare		819,933	819,933	819,933	409,967	462,885	839,933	52,918	13%	▲
Housing		85,140	85,140	85,140	42,570	40,861	85,140	(1,709)	(4%)	
Community Amenities		194,000	194,000	194,000	169,750	150,347	221,000	(19,403)	(11%)	▼
Recreation and Culture		509,884	509,884	459,884	276,222	219,927	390,384	(56,295)	(20%)	▼
Transport		360,744	360,744	410,744	233,024	187,734	410,744	(45,290)	(19%)	▼
Economic Services		79,000	79,000	79,000	39,500	35,040	79,000	(4,460)	(11%)	
Other Property and Services		74,068	74,068	74,068	37,034	23,106	74,068	(13,928)	(38%)	▼
		10,632,263	10,632,263	10,632,263	9,524,554	9,232,670	10,419,874			
Expenditure from operating activities										
Governance		(1,256,860)	(1,256,860)	(1,056,860)	(592,202)	(657,364)	(1,172,703)	(65,163)	(11%)	▼
General Purpose Funding		(161,878)	(161,878)	(161,878)	(80,939)	(128,615)	(234,878)	(47,676)	(59%)	▼
Law, Order and Public Safety		(173,561)	(173,561)	(173,561)	(88,199)	(86,306)	(177,061)	1,894	2%	
Health		(191,298)	(191,298)	(191,298)	(96,617)	(101,441)	(192,365)	(4,825)	(5%)	
Education and Welfare		(1,043,896)	(1,043,896)	(1,043,896)	(530,926)	(569,411)	(1,141,958)	(38,486)	(7%)	
Housing		(50,200)	(50,200)	(50,200)	(25,700)	(22,929)	(43,200)	2,771	11%	▲
Community Amenities		(2,854,492)	(2,854,492)	(2,864,492)	(1,447,947)	(1,556,279)	(2,954,062)	(108,332)	(7%)	
Recreation and Culture		(3,590,406)	(3,590,406)	(3,607,406)	(1,811,855)	(1,270,717)	(2,577,407)	541,138	30%	▲
Transport		(2,544,657)	(2,544,657)	(2,594,657)	(1,322,327)	(1,424,061)	(2,648,858)	(101,734)	(8%)	
Economic Services		(121,878)	(121,878)	(121,878)	(60,939)	(53,807)	(119,878)	7,132	12%	▲
Other Property and Services		(152,316)	(152,316)	(152,316)	(105,361)	(66,017)	(142,316)	39,345	37%	▲
		(12,141,442)	(12,141,444)	(12,018,443)	(6,163,011)	(5,936,948)	(11,404,686)			
Operating activities excluded from budget										
Add back Depreciation		2,472,904	2,472,904	2,472,904	1,236,452	779,421	1,661,354	(457,031)	(37%)	▼
Adjust (Profit)/Loss on Asset Disposal	8	(7,700)	(7,700)	(7,700)	(7,700)	0	(7,700)	7,700	(100%)	
Amount attributable to operating activities		2,465,204	2,465,204	2,465,204	1,228,752	779,421	1,653,654			
Investing Activities										
Non-operating Grants, Subsidies and Contributions	11	881,867	881,867	1,211,214	487,198	328,747	1,211,214	(158,451)	(33%)	▼
Proceeds from Disposal of Assets	8	37,700	37,700	42,000	20,909	20,909	42,000	(0)	(0%)	
Land and Buildings		(477,385)	(488,105)	(636,215)	(481,217)	(316,556)	(569,500)	164,661	34%	▲
Infrastructure Assets - Roads		(1,314,300)	(1,314,300)	(1,578,647)	(16,500)	(4,250)	(1,916,500)	12,250	74%	▲
Infrastructure Assets - Public Open Space		(396,720)	(446,000)	(446,000)	(258,500)	(60,317)	(367,000)	198,183	77%	▲
Infrastructure Assets - Footpaths		(247,132)	(247,132)	(302,408)	(189,408)	(119,684)	(252,826)	69,724	37%	▲
Infrastructure Assets - Drainage		(100,000)	(100,000)	(115,255)	(115,255)	(33,731)	(133,000)	81,524	71%	▲
Infrastructure Assets - Other		(393,000)	(433,000)	(349,000)	(157,500)	(15,977)	(289,000)	141,524	90%	▲
Infrastructure Assets - Carparks		(494,000)	(494,000)	(494,000)	(412,000)	(142,763)	(386,000)			
Plant and Equipment		(319,320)	(219,320)	(429,500)	(255,000)	(369,782)	(369,500)	(114,782)	(45%)	▼
Furniture and Equipment		(75,000)	(75,000)	(75,000)	(75,000)	(36,807)	(75,000)	38,193	51%	▲
Amount attributable to investing activities		(2,897,290)	(2,897,290)	(3,172,811)	(1,452,273)	(750,209)	(3,105,112)			
Financing Activities										
Transfer from Reserves	7	1,242,814	1,242,814	1,353,924	0	0	1,534,777	0		
(Transfer to Reserves)	7	(60,000)	(60,000)	(60,000)	(25,000)	(21,090)	(48,000)	3,910	16%	▲
Amount attributable to financing activities		1,182,814	1,182,814	1,293,924	(25,000)	(21,090)	1,486,777			
Closing Funding Surplus(Deficit)	3	0	(2)	(24,662)	3,871,472	4,255,700	2,362			

The following high-level snapshot of the budget impact of proposed variations on the Statement of Financial Activity by Program is provided:

- Forecast total operating revenue \$10,419,874 versus amended budget of \$10,632,263 (unfavourable variance of \$212,389);
- Forecast total operating expenditure of \$11,404,686 versus amended budget of \$12,018,443 (favourable variance of \$613,757 – includes depreciation non-cash variance of \$811,550);
- Forecast total depreciation expense of \$1,661,354 versus amended budget of \$2,472,904 (non-cash variance);
- Forecast total capital expenditure of \$4,358,326 versus amended budget of \$4,426,025.

TOWN OF EAST FREMANTLE
STATEMENT OF FINANCIAL ACTIVITY
(By Nature or Type)
For the Period Ended 31 December 2019

	Note	Annual Budget -	Annual Budget -	Current Budget	Amended	YTD	Forecast 30 June 2020	Var. \$	Var. %	Var.
		Hardcoded	Synergy		YTD Budget	Actual (b)		(b)-(a)	(b)-(a)/(a)	
		\$			\$	\$		\$	%	
Opening Funding Surplus (Deficit)	3	758,451	758,451	775,201	758,451	951,855	951,855	193,404	25%	▲
Revenue from operating activities										
Rates	9	8,045,480	8,045,480	8,045,480	8,030,480	7,854,860	7,872,352	(175,620)	(2%)	
Operating Grants, Subsidies and Contributions	11	1,171,341	1,171,341	1,171,341	609,323	509,170	1,080,080	0	(16%)	
Fees and Charges		1,124,467	1,124,467	1,124,467	714,913	741,438	1,195,467	26,525	4%	
Interest Earnings		221,000	221,000	221,000	131,000	101,969	182,000	(29,031)	(22%)	▼
Other Revenue		62,275	62,275	62,275	31,138	25,233	82,275	(5,904)	(19%)	
Profit on Disposal of Assets	8	7,700	7,700	7,700	7,700	0	7,700	0		
		10,632,263	10,632,263	10,632,263	9,524,554	9,232,670	10,419,874			
Expenditure from operating activities										
Employee Costs		(4,126,285)	(4,126,285)	(4,136,285)	(2,096,514)	(2,322,116)	(4,260,832)	(225,602)	(11%)	▼
Materials and Contracts		(4,427,824)	(4,427,826)	(4,294,826)	(2,164,909)	(2,072,015)	(4,308,396)	92,894	4%	
Utility Charges		(320,000)	(320,000)	(320,000)	(160,000)	(163,670)	(330,000)	(3,670)	(2%)	
Depreciation on Non-Current Assets		(2,472,904)	(2,472,904)	(2,472,904)	(1,236,452)	(779,421)	(1,661,354)	457,031	37%	▲
Insurance Expenses		(167,605)	(167,605)	(167,605)	(167,605)	(234,137)	(185,781)	(66,532)	(40%)	▼
Other Expenditure		(626,824)	(626,824)	(626,824)	(337,531)	(365,588)	(658,324)	(28,057)	(8%)	
Loss on Disposal of Assets	8	0	0	0	0	0	0	0		
		(12,141,442)	(12,141,444)	(12,018,443)	(6,163,011)	(5,936,948)	(11,404,686)			
Operating activities excluded from budget										
Add back Depreciation		2,472,904	2,472,904	2,472,904	1,236,452	779,421	1,661,354	(457,031)	(37%)	▼
Adjust (Profit)/Loss on Asset Disposal	8	(7,700)	(7,700)	(7,700)	(7,700)	0	(7,700)	7,700	(100%)	
Amount attributable to operating activities		2,465,204	2,465,204	2,465,204	1,228,752	779,421	1,653,654			
Investing activities										
Non-operating Grants, Subsidies and Contributions	11	881,867	881,867	1,211,214	487,198	328,747	1,211,214	(158,451)	(33%)	▼
Proceeds from Disposal of Assets	8	37,700	37,700	42,000	20,909	20,909	42,000	(0)	(0%)	
Land and Buildings		(477,385)	(488,105)	(636,215)	(481,217)	(316,556)	(569,500)	164,661	34%	▲
Infrastructure Assets - Roads		(1,314,300)	(1,314,300)	(1,578,647)	(16,500)	(4,250)	(1,916,500)	12,250	74%	▲
Infrastructure Assets - POS		(396,720)	(446,000)	(446,000)	(258,500)	(60,317)	(367,000)	198,183	77%	▲
Infrastructure Assets - Footpaths		(247,132)	(247,132)	(302,408)	(189,408)	(119,684)	(252,826)	69,724	37%	▲
Infrastructure Assets - Drainage		(100,000)	(100,000)	(115,255)	(115,255)	(33,731)	(133,000)	81,524	71%	▲
Infrastructure Assets - Other		(393,000)	(433,000)	(349,000)	(157,500)	(15,977)	(289,000)	141,524	90%	▲
Infrastructure Assets - Carparks		(494,000)	(494,000)	(494,000)	(412,000)	(142,763)	(386,000)			
Plant and Equipment		(319,320)	(219,320)	(429,500)	(255,000)	(369,782)	(369,500)	(114,782)	(45%)	▼
Furniture and Equipment		(75,000)	(75,000)	(75,000)	(75,000)	(36,807)	(75,000)	38,193	51%	▲
Amount attributable to investing activities		(2,897,290)	(2,897,290)	(3,172,811)	(1,452,273)	(750,209)	(3,105,112)			
Financing Activities										
Transfer from Reserves	7	1,242,814	1,242,814	1,353,924	0	0	1,534,777	0		
(Transfer to Reserves)	7	(60,000)	(60,000)	(60,000)	(25,000)	(21,090)	(48,000)	3,910	16%	▲
Amount attributable to financing activities		1,182,814	1,182,814	1,293,924	(25,000)	(21,090)	1,486,777			
Closing Funding Surplus (Deficit)	3	0	(2)	(24,662)	3,871,472	4,255,700	2,362	384,227	10%	

The following high-level snapshot of the budget impact of proposed variations on the Statement of Financial Activity by Nature and Type is provided:

- Forecast rates revenue of \$7,872,352 versus amended budget of \$8,045,480 (unfavourable variance of \$173,812 attributable to reversal of prepaid rates as at 1 July 2019 – further explained below);
- Forecast operating grants of \$1,080,080 versus amended budget of \$1,171,341 (unfavourable variance of \$91,261);
- Forecast fees and charges of \$1,195,467 versus amended budget of \$1,124,467 (favourable variance of \$71,000);
- Forecast interest earnings of \$182,000 versus amended budget of \$221,000 (unfavourable variance of \$39,000);
- Forecast employee expenses of \$4,260,832 versus amended budget of \$4,136,285 (unfavourable variance of \$124,547);
- Forecast materials and contracts expense of \$4,308,396 versus amended budget of \$4,294,826 (unfavourable variance of \$13,570).

A complete schedule of forecasts as at 30 June 2020 is included within the body of the attached monthly financial report. There are a number of variations at income/expenditure code level; however, comparatives between actuals and year to date budget are assessed at general ledger account level, and therefore, any minor variances between IE code allocations (notably the 350/500 IE Codes) does not impact on the materiality of reporting.

The significant changes in forecasts for Council information and approval are:

Account Number	Account Description	Nature and Type Category	19/20 Current Budget	19/20 Forecast (Amended Budget)	Favourable (F) Unfavourable (U) Contra (C)	Comment
	Surplus 1 July 2019		\$775,201	\$951,855	Contra	\$176,654 variance due to recognizing prepaid rates as revenue 30 June 2019 (rather than a current liability)
I03057	Prepaid Rates	Rate Revenue	(\$0)	(\$176,654)	Contra	Reversal of above entry 1 July 2019
E14601	Electrical Services - Buildings	Capex	(\$100,000)	(\$72,000)	F	Electrical upgrades completed
E14604	Depot Admin Building	Capex	(\$72,385)	(\$40,000)	F	Refurbishment works completed
E11708	Richmond Raceway - Security Bars	Capex	(\$15,000)	(\$22,000)	U	RFQ finalized for fabrication/installation
E11707	Purchase Plant and Equipment	Capex	(\$137,500)	(\$87,500)	F	Steam weed treatment unit not purchased
E12784	Riverside Road	Capex	(\$1,562,147)	(\$1,900,000)	Contra	Approved SCM 25/2/20

E12739	Leeuwin Carpark Upgrade	Capex	(\$157,000)	\$0	Contra	Approved 25/2/20	SCM
341	Transfer from Strategic Asset Management Reserve	Financing	\$161,110	\$341,963	Contra	Approved 25/2/20	SCM
E12699	Footpath – Canning Highway	Capex	(\$130,582)	(\$61,000)	Contra/F	Unspent allocated to landscaping at Tricolore Carpark (\$30k) and Oakover St Footpath (\$20k)	budget to
E12793	Footpath – Oakover Street	Capex	(\$55,000)	(\$75,000)	Contra	See above	
E12737	Carpark - Tricolore	Capex	(\$255,000)	(\$285,000)	Contra	See above	
E11695	Irrigation and Returfing – Chapman Reserve	Capex	(\$170,000)	(\$145,000)	F	RFQ finalized and contract awarded	
E12661	Carpark – EF Football Club	Capex	(\$37,000)	(\$53,000)	U	Actual cost	
4080	Depreciation – Education and Welfare	Non-Cash	(\$68,500)	(\$120,000)	Non-Cash	Reclassification of depreciable assets	
4121	Depreciation - Roads	Non-Cash	(\$523,000)	(\$600,000)	Non-Cash	\$1.9m expenditure Riverside Road	
4115	Depreciation - Parks	Non-Cash	(\$1,540,000)	(\$600,000)	Non-Cash	Turf assets are now fully depreciated	
224	Transfer to Strategic Asset Management Reserve	Financing	(\$60,000)	(\$48,000)	Contra	Revised forecast for interest earnings on Reserves	
1689	Reserve Fund Interest	Interest Revenue	\$60,000	\$48,000	Contra	See above	
I03188	Municipal Fund Interest	Interest Revenue	\$75,000	\$40,000	U	Revised forecast for interest earnings on Municipal Fund	
I11167	EF Oval – Business Plan Grant	Operating Grants	\$50,000	\$0	Contra	No grant received	
E11246	EF Oval Business Plan	Materials and Contracts	(\$150,000)	(\$108,000)	Contra	FRQ finalized and consultant appointed	
E03257	Rates Debt Recovery Legal Costs	Materials and Contracts	\$0	(\$30,000)	Contra	Separate account established for legal costs (previously included in E03258 Direct Cost of Levying Rates)	

E03300	Rates Exemptions and Non Ratable Properties	Other Expenses	\$0	(\$42,000)	U	Southern Cross Care Rate Exemption
E04201	Salaries - Administration	Employee Expenses	(\$1,227,870)	(\$1,301,037)	U	Relief Manager Finance and Admin (AL and LSL), Records Officer (LSL) and Senior Finance Officer (extended AL). Potential recoup from balance sheet.
E07211	Salaries - Health Inspection	Employee Expenses	(\$71,909)	(\$81,476)	U	Contract relief for EHO (LSL). Potential recoup from balance sheet.
E08207	Salaries - CHSP	Employee Expenses	(\$416,875)	(\$436,487)	U	Program is fully funded from CHSP grant. Additional staffing to support client services.
E12303	Salaries - Parking	Employee Expenses	(\$152,800)	(\$160,000)	U	Additional overtime public holidays and events
E04221	Computer System Support and Licenses	Materials and Contracts	(\$160,000)	(\$195,000)	U	Additional support work resulting from GCC Audit
E04240	Internal and External Audit Projects	Materials and Contracts	\$0	(\$20,000)	U	New account and budget proposed to advance audit project work
E04266	Communications, Advocacy and PR	Materials and Contracts	(\$120,000)	(\$100,000)	F	Reduction in general consultancy allocation
E08203	Donations	Other Expenditure	(\$7,000)	(\$15,000)	U	Bushfire appeal donation
E10100	Waste Collection Costs - FOGO	Materials and Contracts	(\$166,192)	(\$196,579)	Contra	Restructuring of waste collection and disposal accounts to match change to invoicing arrangements to specify waste streams
E10101	Waste Collection Costs - Recycling	Materials and Contracts	(\$205,242)	(\$91,011)	Contra	See above
E10102	Waste Collection Costs -	Materials and Contracts	\$0	(\$83,779)	Contra	See above

	General Waste					
E10109	Gate Fees - Recycling	Materials and Contracts	(\$97,368)	(\$108,805)	Contra	See above
E10110	Gate Fees - General	Materials and Contracts	\$0	(\$208,014)	Contra	See above
E10111	Gate Fees - FOGO	Materials and Contracts	(\$599,328)	(\$357,993)	Contra	See above
E10208	Waste Removal - Bund	Materials and Contracts	\$0	(\$80,000)	U	Bund clean up and disposal - Tricolore
E10216	Consultants - Town Planning	Materials and Contracts	(\$155,000)	(\$100,000)	F	Deferment of Commercial Strategy (\$30k) and general planning consultancy (\$20k)

12.1.3 OFFICER/COMMITTEE RECOMMENDATION/COUNCIL RESOLUTION 080320

Moved Cr Watkins, seconded Cr A McPhail

That Council:

1. by absolute majority, approves the mid-year budget review as per the forecast figures disclosed in the attached Statement of Financial Activity by Program and Statement of Financial Activity by Nature and Type for the period ending 31 December 2019.
2. notes the change in the forecast closing budget surplus from a deficit of (\$24,662) to a surplus of \$2,362 as at 30 June 2020.
3. requests that the Chief Executive Officer forward a copy of the mid-year budget review to the Department of Local Government within 30 days of Council's consideration.

(CARRIED UNANIMOUSLY)
ABSOLUTE MAJORITY

12.1.4 East Fremantle Primary School Kindy Proposed Upgrade to a Community Facility

File ref	R/RSS1
Prepared by	Karen Dore, Economic & Community Development Officer
Supervised by	Peter Kocian, Executive Manager Corporate Services
Meeting Date	17 March 2020
Voting requirements	Absolute Majority
Documents tabled	Nil
Attachments	<ol style="list-style-type: none">1. Request for New or Capital Upgrades to Existing Community Buildings2. Quote3. Site Plan4. Elevation Plan

Purpose

Council is requested to consider supporting a funding request from the East Fremantle Primary School for a new shade cover.

Executive Summary

The East Fremantle Primary School Offsite Kindergarten, also known as the JP McKenzie Play Centre, is managed by the Education Department, under a ten-year lease.

The proposal is to improve the amenity of the facility, both visually and materially, for the benefit of users (wholly made up of children from East Fremantle). The total project cost is \$8,960.00, with a Council funding request of \$6,560.00.

The Primary School have recently self-funded the replacement of the west facing windows and upgraded the concrete verandah floor (noting that these works were undertaken prior to the commencement of this approval process).

Background

The JP McKenzie Play Centre, located at 61 George Street (corner of Hubble Street), is described in the Town of East Fremantle Property Register as a *"BRICK & IRON CLAD KINDERGARTEN ON CONCRETE FOOTINGS WITH TIMBER FLOORS & EVAPORATIVE AIR CONDITIONING, WITH FENCING, PAVING & IRON / IRON CLAD SHELTER"*, with a replacement value of \$540,000.

It is anecdotally estimated that the building is over fifty years old (based on design), having been originally purpose-built as a community kindergarten. Interestingly the kindergarten was originally run, from 1953, in the old butchers shop! The kindergarten was first utilised by the Richmond Primary School, before being transferred to East Fremantle Primary School approximately 24 years ago (due to its proximity).

The proposal is to install a colour-bond shade structure over the slabbed area to protect the kindergarten children from the elements whilst they play. Kindergarten students take their shoes off to assist with their gross motor skill development whilst playing, the shade structure will prevent the slabs from heating up (burning the students' feet).

The need for this installation was identified through the requirement for a minimum level of safety and amenity for the students.

Consultation

Executive Manager Corporate Services
Planning Officer
Council Concept Forum 11 March 2020

Statutory Environment

Should Council support the funding application, a budget variation will be required pursuant to section 6.8 of the *Local Government Act 1995*.

Policy Implications

2.2.2 Requests for New or Capital Upgrades to Existing Community Buildings

- Value for money
Financial support would represent a 73% contribution by the Town of East Fremantle, noting that other improvement and maintenance works have been undertaken at the building by the Education Department at their own expense.
- Sustainable utilisation levels
The facility continues to be used for its primary purpose, kindergarten. It is utilised solely by East Fremantle residents.
- Provide 'fit for purpose use'
The installation of a shade structure will most definitely ensure that the area has an improved "fit for purpose" rating.
- Meet current Building Standards
The installation will be subject to a Development Application, via the Town of East Fremantle.

Financial Implications

The total project cost is \$8,960, with a Council funding request of \$6,560. It is recommended that the Town provide a funding contribution of 50% of the total project cost, amounting to \$4,480, with the remaining 50% to be funded by the Department of Education/East Fremantle Primary School.

Strategic Implications

"Town of East Fremantle Strategic Community Plan 2017-2027"

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 people to develop community connections and foster local pride
 - 1.3.3 Enrich identity, culture and heritage through programs, events and celebrations
 - 1.3.4 Facilitate community group capacity building

Site Inspection

Not undertaken to date.

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 not support the request to upgrade the building and / or do not support the request for funding assistance.	Possible (3)	Minor (2)	Moderate (5-9)	REPUTATIONAL Unsubstantiated, low impact, low profile or 'no news' item	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

Comment

Kindergarten literally translates from German as "*garden for the children*" and in our hot Australian climate most gardens tend to thrive only when they have the appropriate shade. This shade structure will serve to enhance the amenity of the kindergarten's playing area through providing access to a protected area. This will serve to increase the social wellbeing of the children within a safe and sheltered area.

It is noted that the Development Application process will need to be followed, and Council's support / endorsement of this request does not override the requirement for this statutory procedure to be followed.



Due to the nature of the installation, it would also be a requirement for some consultation to be undertaken with adjacent neighbours.

12.1.4 OFFICER RECOMMENDATION/COUNCIL RESOLUTION 090320

Moved Cr Harrington, seconded Cr Natale

That Council:

- 1. authorises and supports East Fremantle Primary School's proposal to install a shade structure at the JP McKenzie Play Centre, noting that a formal development application will need to be submitted for assessment.**
- 2. pursuant to section 6.8 of the *Local Government Act 1995*, approve an expenditure budget variation of \$4,480 to the 2019/20 Budget to part fund (50% of total project cost) this project.**
- 3. request the Chief Executive Officer to release the funding for this project once development approval has been provided, and after a tax invoice has been issued by the East Fremantle Primary School.**

(CARRIED UNANIMOUSLY)
ABSOLUTE MAJORITY

12.2 GOVERNANCE (CONTINUED)

12.2.2 Local Government House Trust – Deed of Variation

File ref	A/WALGA1
Prepared by	Gary Tuffin, CEO
Supervised by	Gary Tuffin, CEO
Meeting Date	17 March 2020
Voting requirements	Simple majority
Documents tabled	Nil
Attachments	1. Email from WALGA CEO Nick Sloan 2. Deed of Variation (Draft)

Purpose

Council is requested to give consideration to varying WALGA Trust Deed for the Local Government House Trust (The Trust).

Executive Summary

Council's consent is sought, to a variation to the Trust Deed for the Local Government House Trust (The Trust) as the Town of East Fremantle is a unit holder and beneficiary to the Local Government House Trust, holding 4 unit/s as advised in WALGA's recent Quarterly Report Q4 2019.

The Trust's Board of Management is seeking to vary the Trust Deed in order to assist the Trust's income tax exempt status. As stipulated by the Deed, the Trust requires consent of at least 75 per cent of all beneficiaries in order to execute this variation.

Background

The Local Government House Trust ("The Trust") exists primarily to provide building accommodation for the Western Australian Local Government Association (WALGA). Since January 2014, the Trust has provided WALGA with accommodation at 170 Railway Parade West Leederville.

The current trust deed commenced in 1993 and was amended in 2002 to reflect the merger of the metropolitan and country associations into WALGA. The current Trust Deed pronounces WALGA as Trustee and unit holders as Beneficiaries, with the Trustee holding property and associated monies "upon Trust" and in proportion to the units provided.

Commencement date of the current deed is 17 February 1993, with a vesting date 79 years from commencement, ending 2072. The Trust is exempt from income tax on the basis of being a State / Territory Body (STB) pursuant to Division 1AB of the *Income Tax Assessment Act 1936*.

Trust Deed Variation

1. removing the existing Trustee's power to retire and appoint a new Trustee (Clause 2.1 and 2.2 (22.3) of the Deed of Variation)
2. enabling the beneficiaries to appoint and remove a Trustee (Clause 2.2 (22.4) of the Deed of Variation), and
3. ensuring that the Board of Management is the 'governing body' of the Trust (Clause 2.3 of the Deed of Variation)

The three proposed amendments when applied to the relevant clauses inserted by the Deed of Variation dated 5 June 2002 will subsequently read as follows (proposed amendments shown in red text):

1. Variation 2.1 amends clause 22.1 to point to additional clause:

22.1 Any Trustee of the Trust may retire as Trustee of the Trust. ~~The Subject to clause 22.3, the right to appoint any new or additional trustee or trustees of the Trust is hereby vested in the retiring or continuing trustee. A corporation or incorporated association may be appointed as Trustee of the Trust.~~

2. Variation 2.2 inserts two new clauses:

22.3 *The retiring or continuing trustee shall only be entitled to appoint any new or additional trustee of the Trust with the consent of not less than 75% of the Beneficiaries.*

22.4 *The Beneficiaries may at any time by Special Resolution:*

- (a) remove a Trustee from the office as Trustee of the Trust; and*
- (b) appoint such new or additional Trustee.*

3. Variation 2.3 insert a new clause 13A

13A Delegation to the Board of Management

Unless the Beneficiaries otherwise direct (such direction to be given by not less than 75% of the Beneficiaries), the Trustees shall delegate all of the powers authorities and discretions contained in subclauses (a) to (x) of clause 12 to the Board of Management. The Trustees shall, at the direction of the Board of Management, do such things as may be necessary to give effect to the exercise of a power, authority or discretion by the Board of Management.

Consultation

WALGA has contacted all unit holders.

Statutory Environment

There are no relevant statutory provisions.

Policy Implications

There are no relevant policy implications.

Financial Implications

There are no significant financial implications associated with this item.

One Seventy (170) Railway Parade, (local government house), where WALGA is located, is owned by the Association.

Strategic Implications

There are no significant strategic implications associated with this item.

Risk Implications

There are no significant risk associated with this item.

Comment

WALGA has advised that:

Trust Deed amendments set out in the Deed of Variation are based on legal advice and are intended to assist the Trust's income tax exempt status by strengthening the position that the Trust is a State / Territory Body (STB).

Legal advice identified that the Trustee's ability to retire and appoint a new Trustee might affect the Trust's classification as a State or Territory Body (STB). This view, while based upon highly technical grounds, is a risk nonetheless.

As a beneficiary, the Town is requested to consent to the enclosed Deed of Variation supported by a resolution of Council; and to communicate this consent in writing, to consent for the Trustee to formally execute the Deed of Variation (Attachment 2).

WALGA further advised:

The first two amendments outlined above remove powers granted to the Trustee in the 2002 Deed Variation resulting from the merger to a single Association representing WA Local Governments. These amendments which previously facilitated the transfer of trusteeship to the then new Western Australian Local Government Association are removed, but with the clarification that any appointment must be with the consent of the beneficiaries.

The final amendment intends to confirm that power rests with the Board of Management. As the Board of Management comprises Local Governments, this satisfies the requirements of a STB for tax purposes. This amendment reflects the actual operation of the Trustee in implementing the decisions of the Board of Management whilst retaining sufficient operational discretion to place and renew investments and pay suppliers.

These amendments provide greater power to beneficiaries through the Board of Management, and as such it is recommend the request be supported.

12.2.2 OFFICER RECOMMENDATION/COUNCIL RESOLUTION 100320

Moved Cr Harrington, seconded Cr M McPhail

That Council:

- 1. consent to the proposed variation to the Trust Deed for the Local Government House Trust (The Trust) as detailed in attachment 1 (Deed of Variation – Local Government House Trust); and**
- 2. formally advises the Local Government House Trust's Board of Management in writing of its decision.**

(CARRIED UNANIMOUSLY)

12.2.3 South West Group Corporate Governance Charter 2020/21 to 2024/25

Applicant	Town of East Fremantle
File ref	A/PSM1
Prepared by	Gary Tuffin, CEO
Date of Meeting	17 March 2020
Voting requirements	Simple Majority
Documents tabled	Nil
Attachments	1. South West Group Corporate Governance Charter

Purpose

To consider accepting the South West Group Corporate Governance Charter 2020/21 to 2024/25 (the Charter) and entering into a new Memorandum of Understanding for the period 1 July 2020 to 30 June 2025.

Executive Summary

The South West Group has adopted the Charter to set out its governance principles and policies as they relate to the respective roles, responsibilities and authorities of the Board and of management as to the direction, performance and control of the South West Group and its affiliated bodies.

At the South West Group Board meeting on 2 December 2019, the South West Group Board approved the below recommendations:

Item 4.1 recommendation:

The Director's Updated Work Plan and Key Performance Indicators to end of financial year 2020/21 be approved.

The Director's work plan is grouped into four main program areas:

- *Program Area 1: Investment attraction and export development*
- *Program Area 2: Advocacy*
- *Program Area 3: Operating environment (including smart regions)*
- *Program Area 4: Emerging industry support*

Item 4.2 recommendation:

The updated South West Group Governance Charter 2020/21-2024/25 be approved.

The important changes are summarised below:

- The formal inclusion of the Economic Development Forum in the list of committees. This forum has been operating for a number of years. Its formal inclusion in the Charter displays a commitment to progressing economic development objectives for the region;
- Removing a requirement for the South West Group to use the host council's Auditor. This is primarily a cost decision;
- Changing the process for a member local government to withdraw from the South West Group. The new arrangements proposed require a minimum of twelve months' notice.
- Updating the financial arrangements, specifically the amount of the annual contribution required of each local government. Note that the methodology has not changed;

- Changing the methodology for the calculation of equity that is required to be included in each member local governments' annual financial statements; and
- Updating the period of commitment to the South West Group to June 2025.

Background

Formed in 1983, South West Group is a voluntary regional organisation comprising six member councils in the South West Metropolitan Region (the Town and Cities of Cockburn, Fremantle, Kwinana, Melville and Rockingham). The Board members are the Mayors and CEOs of each member local government.

The Strategic Plan 2015 to 2025 vision for the South West Metropolitan Region is 'the economic gateway to the west' and the five key areas of strategic focus are:

- Liveable communities
- Climate change adaptation
- Trade, freight and logistics
- Knowledge and education
- Industry and employment, including tourism

South West Group seek to enhance economic growth, promote a resilient economy and contribute toward a diversity of quality lifestyles.

To continue the partnership and confirm the Town's commitment to economic development of the region, Council signed a Memorandum of Understanding with South West Group at its meeting on 6 May 2008 for a period of two years. This document was modified in February 2010 to become a Corporate Governance Charter incorporating the Memorandum of Understanding. Renewed in 2015 for a period of five years, it is due to expire in June 2020.

Statutory Environment

Nil.

Policy Implications

There are no policy implications.

Financial Implications

Funding for the South West Group is a mix of administration and project funding. In accordance with a 2017 South West Group Board decision, the following formula is applied to determine annual membership fees:

- \$25,000 minimum fee
- 22.95 cents per head of population
- 22.95 cents per \$1,000 of operating revenue (from the most recent audited financial year statements), and funding for work plan projects.

The table below shows the calculations for membership contributions for 2019/20 including total project funding of \$120,000.

Member Council	(a + b+ c) Base Contribution Total	Equivalent Member Contribution % Split	Economic Development Projects as per work plan (see below for breakdown)	Base Membership Total 2019/2020
Town of East Fremantle	\$29,197	7.71%	\$9,246	\$38,443
City of Cockburn	\$84,406	22.28%	\$26,730	\$111,136
City of Fremantle	\$49,922	13.17%	\$15,810	\$65,732
City of Kwinana	\$49,232	12.99%	\$15,591	\$64,823
City of Melville	\$75,747	19.99%	\$23,988	\$99,735
City of Rockingham	\$90,421	23.86%	\$28,635	\$119,055
Total Base Member Contribution	\$378,924	100.00%	\$120,000	\$498,924

The base membership total for Town of East Fremantle in 2019/20 is \$38,443.

Strategic Implications

STRATEGIC PRIORITY 5: Leadership & Governance

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

5.2.1 Foster and promote strategic collaborative relationships with neighbouring LGAs, non government organisations, State and Federal government representatives and agencies.

Site Inspection

N/A

Comment

Previous achievements of the South West Group include:

- Development of the regional export development and investment attraction program
- Lobbying and support for submarine maintenance to be based in Western Australia
- Progression of defence opportunities resulting from Australian submarine contracts
- Submission to Infrastructure Australia's Priority List
- Development of a 'Regional Investment Prospectus'
- Agreement with the Westport Taskforce to identify opportunities for industry development and job creation for the project
- Highlighted major required infrastructure projects and shortcomings on a regional basis to government and local stakeholders.

Having a formal relationship in place with the member councils improves regional partnerships and collaboration and provides for a stronger advocacy on important issues.

The Town accrues benefit in being a part of a strong and active regional group in terms of lobbying advocacy and networking from a regional perspective. The South West group facilitates several important technical forums from the member councils which come together to share input, ideas and professional expertise on a range of projects.



12.2.3 OFFICER RECOMMENDATION/COUNCIL RESOLUTION 110320

Moved Cr Collinson, seconded Mayor O'Neill

That Council:

- 1. accepts the South West Group Corporate Governance Charter 2020/21 to 2024/25**
- 2. authorises the Mayor and CEO to sign the Memorandum of Understanding on behalf of Council.**

(CARRIED UNANIMOUSLY)

12.2.4 Waste Services Report

File ref	T/FOGO
Prepared by	Connor Warn, Waste Education Officer
Supervised by	Andrew Malone, Executive Manager Regulatory Services
Meeting Date:	17 March 2020
Voting requirements	Simple Majority
Documents tabled	Nil
Attachments	Nil

Purpose

The purpose of this report is for Council to consider and receive the following information;

1. Landfill diversion rate for all & individual waste streams post FOGO Rollout.
2. Explanations from staff on the quality, quantity & value of the compost being generated from the South Metropolitan Regional Council (SMRC) FOGO waste processing, as provided by the SMRC.

Executive Summary

At the December 2019 Ordinary Meeting of Council (10/12/19), Cr Natale moved the following notice of motion, for consideration by elected members at the February 2020 meeting;

Waste Services Report

That Council request that the administration prepare a report for the March 2020 Ordinary Council meeting to consider;

1. *if any, the financial and strategic impact to the Town of East Fremantle's interest in the SMRC given the recent closure of the South Guildford - Cleanaway MRF;*
2. *the landfill diversion rate for all & individual waste streams since the roll out of the 3rd bin system; and*
3. *the quality, quantity & value of the compost being generated from the SMRC FOGO waste processing.*

Background

During July to October 2019, the three bin FOGO collection service was rolled out across the three participating local governments of East Fremantle, Fremantle and Melville.

For the Melville FOGO trial period (2017) and the subsequent regional roll-out (2019), the FOGO material was processed through digesters and tested through the sorting cabin at the Regional Resource Recovery Centre (RRRC) Waste Composting Facility (WCF) and an overall kerbside recovery rate of 65% was established.

The SMRC has provided the following information in relation to the process and kerbside recovery rates since rollout in 2019:

- **RRRC Divestment process**

In the period leading up to and during the FOGO rollout between November 2018 and December 2019, the SMRC also undertook a RRRC divestment process with a view to disposing of RRRC assets and outsource RRRC operations to a third party. No capital expenditure was made on process upgrades or modifications as the intention was that a third party would take over the

design construction and operation of a new FOGO processing system. Although a Tender process was undertaken for the divestment, no tender was awarded in December 2019.

- **Interim FOGO sort process**

In November 2019, the digesters at the RRRC were shut down.

The interim FOGO processing operation uses an existing mobile trommel to extract minus 40mm organics which are sent to be composted at Purearth's facility at Woottatting.

The oversize FOGO material was initially being sent to landfill (location unknown) whilst trials were undertaken to re-screen, size reduce and recover more organics.

The interim FOGO processing solution is being carried out entirely within the tipping building of the WCF while the main compost maturation and screening buildings are being refurbished with new roof. Due to the space and operating cost constraints in the tipping building, the FOGO treatment is limited to size screening without the use of a sorting cabin to manually remove larger sized contamination.

It is proposed in future that the system would use screening and size reduction in combination with manual removal of contamination in the sorting cabin which would bring the overall kerbside estimated recovery rate to 65%.

A decision to proceed with a new permanent FOGO processing system at the WCF has not been made at this time, and is subject to the outcome of a strategic planning process currently being conducted by the SMRC and its member Councils.

The process of removing redundant equipment and reconfiguring the tipping building to accommodate new processing equipment will take approximately 12 months. This is allowing for environmental approvals and design and procurement of equipment.

Following the shutdown of the digesters and commencement of the interim processing system, the Town of East Fremantle's overall kerbside recovery rate was 55% in January 2020. However, this is projected to rise to 60% by April 2020 with improvements in the FOGO screening operation.

Once the permanent FOGO processing system is put in place, it is projected that the recovery rate will return to 65%.

The following Figures 1 and 2 show the historical and projected recovery rates for the interim period and over an extended time period, respectively (SMRC).

Chart 1 - SMRC projected kerbside recovery rates to June 2021 (FOGO interim processing period)

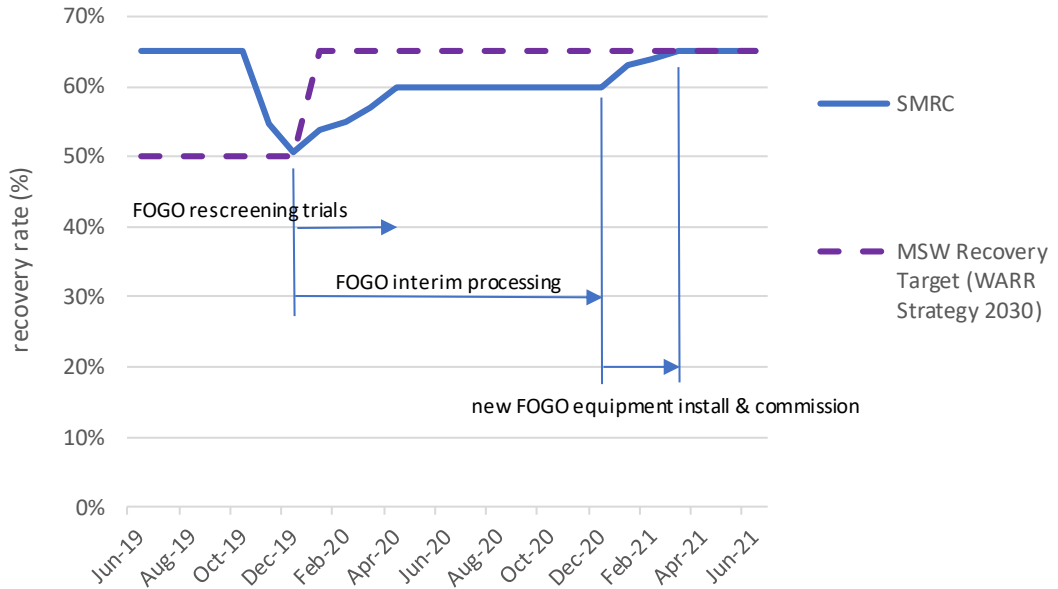
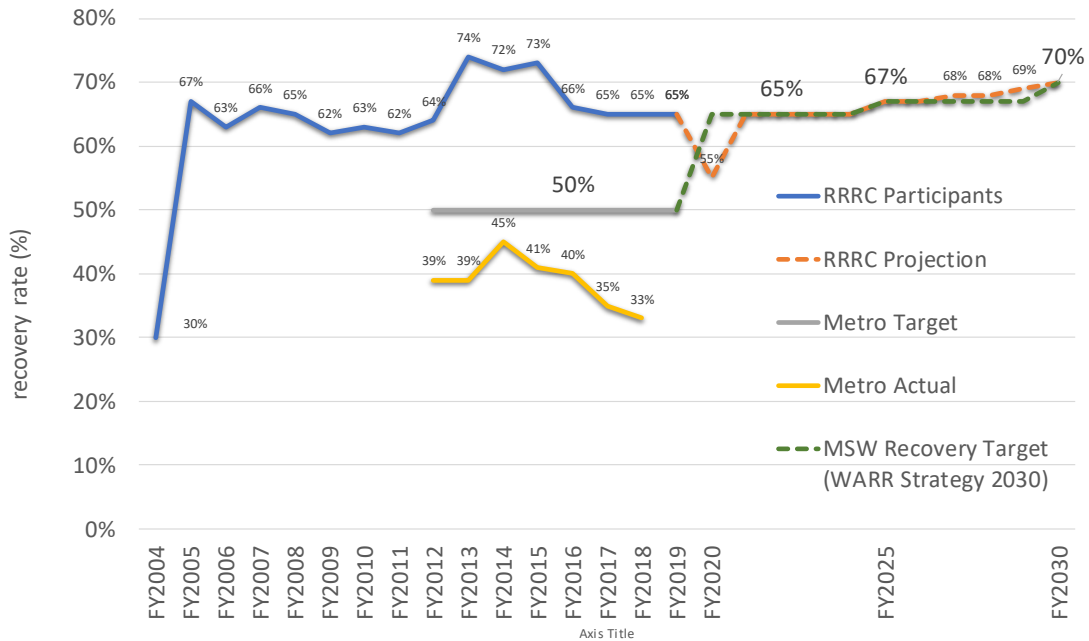


Chart 2 - Historical and projected material recovery rates



Below is the current recovery rates and associated landfill rates for the (3) three waste streams associated with the FOGO waste service. Since the rollout of FOGO, all waste from the red topped general waste bin is now sent to landfill as the previous digesters have now been decommissioned and shut down as planned under end-of-life planning.

The removal of organic waste from the general waste bin ensures only residual waste is sent to landfill. As mentioned previously the 55% recovery rate for the FOGO service is due to the interim processing and is expected to rise with the facility upgrades over the 20-21 period.

FOGO Compost

- **Quality** - Testing to AS4454 standard has been completed on the first batches of compost and results are expected in approximately two (2) weeks. The AS4454 standard applies to Composts, Soil conditioners and mulches; the standard sets out the minimum requirements for the physical, chemical and biological properties of composts, soil conditioners, mulches and vermicast (worm castings). The Standard is used to ensure that compostable organic materials have minimal adverse impact on environmental and public health, and give users such as growers and consumers assurance of the quality of product.

Waste Stream	Current Recovery Rate	Landfill Rates
Food Organics, Garden Organics	55%	45%
General Waste	0%	100%
Recycling	85%	15%

- **Quantity** – The SMRC can only estimate the quantity as material from all three local governments is composted together in batches. However, since the start of the FOGO roll out its estimated that approximately 400 tons of compost have been produced from East Fremantle’s FOGO materials.
- **Value** – As the compost is yet to be on the market for sale this is yet to be determined, however, at current market rates through soil and landscaping supply yards to the general public it is likely to attract a price of around \$100.00 per cubic meter.

Consultation

Town officers consulted with staff from the SMRC to obtain statistics and relevant material relating to current diversion rates and questions relating to the composition of the FOGO compost.

Statutory Environment

Waste Avoidance and Resource Recovery (WARR) Act 2007
Town of East Fremantle Waste Local Law 2017

Risk Implications

There are no significant risk associated with this item.

Strategic Implications

Strategic Priority 4 – 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*

Financial Implications

Cleanaway Contract

It is expected there will be a positive financial impact for Town and the other SRMC members in relation to the recent Cleanaway contract. Cleanaway will bring approximately 50,000 tonnes of recyclable material a year to the SMRC for processing.

The State Government has also provided the SMRC with substantial funding assistance to maintain the capital equipment used in the Material Recovery Facility (MRF). This funding must be used to offset the increased operating costs (wear and tear on the plant) due to the facility operating at a much higher capacity.

Comment

Officers have also noted that since the FOGO rollout, recycling recovery rates have dropped; this was expected as FOGO rollouts often move focus away from Recycling and onto the FOGO service. Since the rollout officers have continued with waste education in relation to Recycling and are currently undertaking bin tagging to further educate residents in correct waste management.

Analysis of the Town’s FOGO and general waste data to date shows that when FOGO recovery rates return to those recorded during the Melville trial, the overall kerbside recovery will exceed 65% as predicted. This confirms that Town of East Fremantle residents are separating their food and garden organics effectively to achieve the minimum diversion rates required.

The SMRC has advised the member councils that it will be working to ensure the recovery rate will match the 65% obtained during the Melville trial.

12.2.4 OFFICER RECOMMENDATION

Moved Cr Harrington, seconded Cr Watkins

That Council receives the SMRC Waste Processing Report.

PROCEDURAL MOTION

Moved Cr Natale, seconded Cr Nardi

That Item 12.2.4 Waste Services Report be deferred to the April Council Meeting.

(CARRIED UNANIMOUSLY)

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.

Cr A McPhail raised the recent announcement by the Premier requesting that local governments consider zero rate increases when setting their 2020/21 budget

18. CLOSURE
There being no further business, the Presiding Member declared the meeting closed at 7.53pm.

Elected members and staff discussed current Business Continuity planning arrangements in view of COVID-19 situation.

I hereby certify that the Minutes of the ordinary meeting of the Council of the Town of East Fremantle, held on 17 March 2020, Minute Book reference 1. to 18. were confirmed at the meeting of the Council on

21 APRIL 2020



Presiding Member