

CITY OF COCKBURN

SUMMARY OF MINUTES OF ORDINARY COUNCIL MEETING HELD ON THURSDAY, 13 JUNE 2013 AT 7:00 PM

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CITY OF COCKBURN

MINUTES OF ORDINARY COUNCIL MEETING HELD ON THURSDAY, 13 JUNE 2013 AT 7:00 PM

PRESENT:

ELECTED MEMBERS

Mr L Howlett	-	Mayor (Presiding Member)
Mr K Allen	-	Deputy Mayor
Mr Y Mubarakai	-	Councillor
Mr S Portelli	-	Councillor
Mrs C Reeve-Fowkes	-	Councillor
Mrs V Oliver	-	Councillor
Mr B Houwen	-	Councillor

IN ATTENDANCE

Mr S. Cain	-	Chief Executive Officer
Mr D. Green	-	Director, Administration & Community Services
Mr S. Downing	-	Director, Finance & Corporate Services
Mr M. Littleton	-	Director, Engineering & Works
Mr D. Arndt	-	Director, Planning & Development
Mrs B. Pinto	-	PA to Directors – Fin. & Corp. Serv./Governance & Comm. Serv.
Ms L. Boyanich	-	Media Liaison Officer

1. DECLARATION OF MEETING

The Presiding Member declared the meeting open at 7.01 pm and made the following announcements:

Clr Lee-Ann Smith received recognition in the Queen's Birthday honours list, a medal in the general division for service to the community in particular to indigenous youth. Congratulations are extended to Clr Smith, her family and friends on this notable achievement.

Cockburn Regional Recreation and Aquatic Centre – The City was pleased to receive Prime Minister Julia Gillard, Minister Stephen Smith and the Hon. Melissa Parke, MP who made an announcement of \$10M Federal Government funding for the City's proposed Regional Aquatic and Recreational Facility in Cockburn Central West. \$10M represents a significant contribution and investment in the project and is a milestone in the journey to build a state of the art recreation facility for the community. Mayor Howlett



acknowledged and thanked the assistance of the Hon. Melissa Parke MP, Federal Member for Fremantle, Steve Harris and Steve Rosich from the Fremantle Football Club and Stephen Cain, Chief Executive Officer, Executive Group and all staff members involved at the City for the submission that was put forward to the Federal Government.

Those present to when the announcement was made was Hon. Melissa Parke, Mayor Howlett, Steve Harris – President (FFC), Steve Rosich – CEO (FFC) and staff. A submission was made to the Federal Government and a great amount of effort was made in the preparation of this submission which was a successful outcome.

Volunteer of the Year Awards – The Awards were conducted at the Seniors Centre. The Award was shared by two people, namely Jan Emery and Jan Watkins who are very committed to the cause. They spend an enormous amount of time assisting staff, assisting volunteers and assisting those who come to spend the day at the Centre.

Local Government Reform – The State Government will be making an announcement on the future of local government in the Perth metropolitan area in the coming weeks. They will respond to recommendations based on the Robson Report tabled in Parliament late last year and provide a map of local governments that will lead to new local governments to be formed within 2 years. The Minister for Local Government as also announced that local government elections will be conducted in October 2013.

2. APPOINTMENT OF PRESIDING MEMBER (If required)

Nil.

3. DISCLAIMER (Read aloud by Presiding Member)

Members of the public, who attend Council Meetings, should not act immediately on anything they hear at the Meetings, without first seeking clarification of Council's position. Persons are advised to wait for written advice from the Council prior to taking action on any matter that they may have before Council.

4 (OCM 13/06/2013) - ACKNOWLEDGEMENT OF RECEIPT OF WRITTEN DECLARATIONS OF FINANCIAL INTERESTS AND CONFLICT OF INTEREST (BY PRESIDING MEMBER)

Mayor Howlett advised the meeting that he had received advice from Cllr Houwen, that he had a proximity interest in relation to Item 19.1, which will be read at the appropriate time.



5 (OCM 13/06/2013) - APOLOGIES AND LEAVE OF ABSENCE

- Clr Tony Romano - Apology
- Clr Lee-Ann Smith - Apology
- Clr Steve Pratt - Apology

6. ACTION TAKEN ON PREVIOUS PUBLIC QUESTIONS TAKEN ON NOTICE

Nil

7 (OCM 13/06/2013) - PUBLIC QUESTION TIME

Michael Griffin, South Lake

As Mr Griffin was not present at the meeting a response to his written question which was not on the Agenda will be provided to him in writing.

Rob Scantlebury – WA Police

Agenda Item 14.3 – Retrospective Change of Use – Factory to Club Premises – 4/13 (Lot 22) Port Kembla Drive, Bibra Lake

Q1. Are members of Council aware of the occupants of the premises?

A1. Yes. It has been provided to us in a report and also a report under confidential cover.

Q2. Are members of Council aware what OMCG stands for and in particular what the Rebels OMCG stands for?

A2. Not all members are aware.

Q3. Are members of the Council fully aware of the activities within those premises and the people attracted to those premises and the effect on local business and the community?

A3. Not all members are aware. Members have received a report but it may not have covered all the relevant aspects and activities

Sgt Scantlebury requested Council so that they are fully informed that Council defer the decision tonight on the proposal until a professional response is given by the WA Police.

Mayor Howlett thanked Sgt Scantlebury and advised him that his comments will be taken into account during course of deliberations at tonight's meeting.



Ray Woodcock, Spearwood

Q1. At the April Meeting of Council a question was asked in relation to the football facility at Cockburn Central to which there was a response provided by the Director, Finance & Corporate Services concerning the financial arrangements of the facility. Why was the response provided by the Director, Finance & Corporate Services not incorporated in the Minutes of this meeting?

A1. The information provided in the Minutes is not a verbatim summary of each question and all answers provided. It is a summary of the questions and answers provided. I request you meet with the Director, Finance & Corporate Services after the meeting to address and clarify your concerns and happy to provide you with additional information, if required.

Q2. Will Council give the assurance to the ratepayers that they will not be called upon to pay any levies for the football training facility? Why should ratepayers have to subsidise a wealthy football club, the Dockers and a very wealthy football organisation, the AFL?

A2. The facility that the City is seeking to build at Cockburn Central is for the community. The partnership arrangement the City has entered with the Fremantle Football Club is to jointly construct the facility with each party, as has been stated before and reiterate the same again that each party will pay for the full capital and operating costs of that arrangement. One of the reasons the City went into the partnership was by going into the partnership it would provide the City the best opportunity to draw on funding from other sources to help off-set the full capital cost. The announcement of the \$10M today by the Federal Government will testify the partnership arrangements.

Q3. Are there any plans to demolish the Phoenix Shopping Centre by the new owners?

A3. There has been no approach by the new owners to demolish the Centre.

Q4. What are the latest developments in relation to the future of Cockburn Police Station?

A4. The City has written to the Minister for Police and the Commissioner. The Chief Executive Officer has spoken to the Chief of Staff in relation to this matter and was advised that the Minister originally referred it to the District Superintendent to provide a briefing but was seeking assurance that that had been provided. The Chief of Staff was



advised that the City was not aware of any briefing being provided to anyone in the City or the Cockburn area. It was again emphasised that the City is still seeking a formal response from the Minister for Police.

The City's request in a letter was for a public forum in the City of Cockburn with either Minister and/or the Commissioner present.

8. CONFIRMATION OF MINUTES

8.1 (MINUTE NO 5055) (OCM 13/06/2013) - MINUTES OF THE ORDINARY COUNCIL MEETING - 9/5/2013

RECOMMENDATION

That Council adopt the Minutes of the Ordinary Council Meeting held on Thursday, 9 May 2013, as a true and accurate record.

COUNCIL DECISION

MOVED Cllr B Houwen SECONDED Deputy Mayor K Allen that the recommendation be adopted.

CARRIED 7/0

9. WRITTEN REQUESTS FOR LEAVE OF ABSENCE

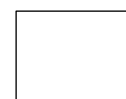
Nil

10 (OCM 13/06/2013) - DEPUTATIONS AND PETITIONS

There were two deputations received:

Coogee Beach Surf Life Saving Club in relation to Item 21.1. The deputation comprised of Michael White - President, Keith Lewis – Director Finance, Darryl Smith – Director Development and Adrian Chegwidan – Development Committee.

Mayor Howlett thanked the Coogee Beach Surf Life Saving Club for their brief and advised them that the matter is before Council to make a decision.



Malibu Boats WA in relation to Item 14.4. The deputation comprised of Lewis Slood and Julie Slood.

Mayor Howlett thanked Mr Slood for the briefing and advised him that the matter is on the Council Agenda for determination.

11. BUSINESS LEFT OVER FROM THE PREVIOUS MEETING (If adjourned)

Nil

12. DECLARATION OF COUNCILLORS WHO HAVE NOT GIVEN DUE CONSIDERATION TO MATTERS IN THE BUSINESS PAPER

Nil

13. COUNCIL MATTERS

DEPUTY MAYOR ALLEN LEFT THE MEETING THE TIME BEING 7.35 PM AND RETURNED AT 7.36 PM

CLR PORTELLI LEFT THE MEETING THE TIME BEING 7.36 PM AND RETURNED AT 7.38 PM

NOTE: AT THIS POINT IN THE MEETING, THE TIME BEING 7.38 PM THE FOLLOWING ITEMS WERE CARRIED BY AN "EN BLOC" RESOLUTION OF COMMITTEE:

13.2	14.1	15.1	16.1	17.1
13.3	14.2	15.2		17.2
				17.3

13.1 (MINUTE NO 5056) (OCM 13/06/2013) - LOCAL GOVERNMENT ELECTIONS - 2013 (085/007) (D GREEN)

RECOMMENDATION

That Council:

- (1) declare, in accordance with section 4.20(4) of the Local Government Act 1995, the Electoral Commissioner to be responsible for the conduct of the 2013 ordinary elections, plus any extraordinary elections and/or polls of electors; and
- (2) decide, in accordance with section 4.61(2) of the Local



Government Act 1995, that the method of conducting the elections be as postal elections.

TO BE CARRIED BY AN ABSOLUTE MAJORITY OF COUNCIL

COUNCIL DECISION

MOVED Clr C Reeve-Fowkes SECONDED Clr S Portelli that the recommendation be adopted.

CARRIED BY ABSOLUTE MAJORITY OF COUNCIL 7/0

Background

Council is required to conform with legislation procedures prior to each ordinary election day, if it wishes to undertake its elections by postal voting. This relates to declaring the Electoral Commissioner to be responsible for the elections and that the method of voting be by postal vote.

Submission

N/A

Report

There will be six (6) vacancies on Council for the 2013 elections, being the Mayor , two Councillors each in West and Central Wards and one in East Ward.

Retiring are Mayor Howlett and Councillors Allen and Romano (West), Councillors Oliver and Houwen (Central) and Councillor Smith (East).

Council has recently received correspondence from the Western Australian Electoral Commissioner advising of its agreement to be responsible for the conduct of these elections, plus any extraordinary elections and/or polls of electors.

The correspondence also contains an implied invitation for Council to utilise the Commissioner's services to undertake the elections on Council's behalf.

To comply with the provisions of the Act, Council is required to adopt the recommendations relative to the decisions to utilise the



Commissioner to conduct the elections and to conduct them by postal vote.

Council first used this method at the inaugural elections of a new Council (Mayor and 9 Councillors) in December, 2000, following the dismissal of the previous Council.

The resultant voter turnout of over 43% was a vast improvement on previous "in person" elections held by council, which typically attract about 10% voter participation.

Even the more than 32% participation rate in the 2007 elections was encouraging, given that there were only four (4) vacancies contested. The most recent Mayor and Councillor elections in 2009 attracted a 31% participation rate for the Mayoral plus five (5) Councillor vacancies, while the 2011 Elections rate for four (4) Councillor vacancies was 27%.

As Council's budget has accommodated estimated costs of conducting the elections by post, it is recommended that Council continue with this method which should guarantee healthy community input to these elections.

Strategic Plan/Policy Implications

Leading & Listening

- A responsive, accountable and sustainable organisation.

Budget/Financial Implications

\$160,000 is required within the Governance (Elections) Account to cover costs associated with the Election.

Legal Implications

Part 4 of the Local Government Act, 1995, and the Local Government (Elections) Regulations, 1997 (as amended) refer.

Community Consultation

N/A

Attachment(s)

N/A



Advice to Proponent(s)/Submissioners

N/A

Implications of Section 3.18(3) Local Government Act, 1995

Nil

13.2 (MINUTE NO 5057) (OCM 13/06/2013) - MINUTES OF THE DELEGATED AUTHORITIES, POLICIES AND POSITION STATEMENTS COMMITTEE MEETING - 23/05/2013 (026/005) (D GREEN) (ATTACH)

RECOMMENDATION

That Council adopts the Minutes of the Delegated Authorities, Policies and Position Statements Committee Meeting held on Thursday, 23 May 2013, as attached to the Agenda and the recommendations contained therein.

COUNCIL DECISION

MOVED Cllr C Reeve-Fowkes SECONDED Cllr V Oliver that the recommendation be adopted.

CARRIED BY ABSOLUTE MAJORITY OF COUNCIL 7/0

Background

The Delegated Authorities, Policies and Position Statements Committee conducted a meeting on 23 May 2013. The Minutes of the meeting are required to be presented.

Submission

N/A

Report

The Committee recommendations are now presented for consideration by Council and if accepted, are endorsed as the decisions of Council. Any Elected Member may withdraw any item from the Committee meeting for discussion and propose an alternative recommendation for Council's consideration. Any such items will be dealt with separately, as provided for in Council's Standing Orders.



As a statutory requirement, the primary focus of this meeting was to review the delegations pursuant to the Local Government Act, 1995 and extraneous to the Local Government Act, 1995.

Strategic Plan/Policy Implications

Leading & Listening

- Effective and constructive dialogue with all City stakeholders.
- Effective advocacy that builds and manages relationships with all stakeholders.
- A responsive, accountable and sustainable organisation.
- A culture of risk management and compliance with relevant legislation, policy and guidelines

Budget/Financial Implications

As contained in the Minutes.

Legal Implications

N/A

Community Consultation

As contained in the Minutes.

Attachment(s)

Minutes of the Delegated Authorities, Policies and Position Statements Committee Meeting – 23 May 2013.

Advice to Proponent(s)/Submissioners

N/A

Implications of Section 3.18(3) Local Government Act, 1995

Nil.



13.3 (MINUTE NO 5058) (OCM 13/06/2013) - CITY OF COCKBURN CORPORATE GOVERNANCE CHARTER (086/005) (D GREEN) (ATTACH)

RECOMMENDATION

That Council adopts the revised Draft Corporate Governance Charter, as shown in the attachments to the Agenda.

COUNCIL DECISION

MOVED Clr C Reeve-Fowkes SECONDED Clr V Oliver that the recommendation be adopted.

CARRIED 7/0

Background

The exercise of “good governance” is a basic principle of the intent of the Local Government Act, 1995 and is specified as a requirement of the “general function” of local government in this State.

The City of Cockburn first introduced a Corporate Governance Charter in 2007. It provided a mechanism and guidelines for Council to follow in order to ensure its awareness of, and compliance with, corporate standards expected of large organisations whose primary focus is on stakeholder well-being.

The document establishes a governance framework and structure to support the principles by which those responsible for discharging the City’s corporate obligations are required to comply.

In the interests of ensuring the Charter remains relevant, a review of its contents and objectives has taken place.

Submission

N/A

Report

While the primary purpose of this document is focussed on the operations of a local government organisation, the principles of good Corporate Governance apply equally to any entity that features a structure where both “executive” and “administrative” functions apply.



In the private sector, this is broadly achieved through the establishment of a Board of Management, consistent with a legally binding Constitution of its role and responsibilities, which ultimately reports on its performance to its shareholders.

Public sector organisations are different, in that the appointment of “Boards” is defined within the statutory provisions which enable them to be constituted in the first place.

In the case of local government in WA, this is achieved through the election of a Council by eligible electors of each District. The elected Council performs the “executive” functions of the organisation and its paid employees perform the “administrative” functions by way of meeting the daily operational requirements of the District and carrying out the decisions of the Council.

It is largely this distinctive relationship within the organisation that highlights the need for strong Governance principles to form a central component of the ongoing current operations and progress towards future objectives.

The original 2007 Charter was designed to identify transparency and accountability as core values and for them to be applied equally across both the executive and administrative arms of the organisation.

Accordingly, the review did not discover any notable shortcomings with the intent of the Charter, except for some modernisation in terminology / dates etc and the inclusion of the statutory provisions related to Enterprise Risk Management, which has, coincidentally, seen the adoption of a Risk Management Framework into the organisation in recent times as well. In addition, references to relevant Policy documents have also been updated to reflect contemporary standards.

Overall, the attached Draft is considered appropriate in its reviewed form and is recommended for adoption by Council.

Strategic Plan/Policy Implications

Leading & Listening

- A responsive, accountable and sustainable organisation.
- Manage our financial and infrastructure assets to provide a sustainable future.
- A culture of risk management and compliance with relevant legislation, policy and guidelines



Budget/Financial Implications

N/A

Legal Implications

Sec 3.1 of the Local Government Act, 1995, refers

Community Consultation

N/A

Attachment(s)

Draft City of Cockburn Corporate Governance Charter.

Advice to Proponent(s)/Submissioners

N/A

Implications of Section 3.18(3) Local Government Act, 1995

Nil.

13.4 (MINUTE NO 5059) (OCM 13/06/2013) - MODIFICATIONS TO CORPORATE BUSINESS PLAN 2012/13 - 2016/17 AND ADOPTION OF THE ANNUAL BUSINESS PLAN 2013/14 (1029) (S CAIN) (ATTACH)

RECOMMENDATION

That Council

- (1) adopt the changes to the schedules of the Corporate Business Plan 2012/13 – 2016/17; and
- (2) adopt the Annual Business Plan 2013/14.

TO BE CARRIED BY AN ABSOLUTE MAJORITY OF COUNCIL

COUNCIL DECISION

MOVED Clr C Reeve-Fowkes SECONDED Clr V Oliver that the recommendation be adopted.

CARRIED BY ABSOLUTE MAJORITY OF COUNCIL 7/0



Background

In March 2013 Council adopted the City's *Corporate Business Plan 2012/13 – 2016/17*. As part of that process Council also resolved to:

- (2) *invite public comment on proposed strategic outcomes for FY2013/14 until 30 April 2013, as part of the preparation for the FY 2013/14 Annual Business Plan and Budget.*

To facilitate these objectives the City advertised and promoted the Corporate Business Plan (CBP). This process has resulted in a number of recommended changes to the schedules contained in the plan, as outlined in this report.

The adoption of the CBP also created a requirement to link this to the Annual Business Plan (ABP). This task has been achieved, with the FY13/14 ABP also presented for adoption.

Submission

N/A

Report

Following adoption of the City's *Strategic Community Plan 2012 – 2022* in November 2012, staff progressed development of the CBP. That document was presented to and adopted at the March 2013 Ordinary Council Meeting. As noted in the Officer's report on that matter, the function of the Corporate Business Plan (CPB) is to activate the 'Strategic Objectives' contained in the Strategic Plan. Each of these objectives has a number of actions that that will be undertaken over the five year timeframe of the CBP.

As the CBP had not previously been subject to widespread consultation, the City extensively advertised the plan. The Chief Executive also made a presentation on the CBP to the Cockburn Community Development Group (CCDG) on 26 March 2013, with copies of his presentation and the adopted CBP provided to all CCDG member organisations.

Corporate Business Plan

As a strategic level document, the CBP has limited direct data on what the City has planned for individual service programs or infrastructure plans for parts of the District. The links to the *Asset Management Plan* and *Workforce Plan* do provide a range of specific information, such as road and footpath programs; but the intimate detail of annual



programs, actions, etc. is something contained in the *Annual Business Plan* as well as the *Annual Budget*.

While the CBP has links to all the City's adopted strategies and is an informative document, many would find it quite dry. It is probably for this reason the majority of feedback received was from the staff directly charged with implementation of the CBP. This feedback recommended a range of changes that included:

- Reallocating some tasks to different managers,
- Correcting some terminologies, and
- Adjusting the timing for some of the tasks.

These changes have been incorporated into a revised schedule of CBP objectives, which is attached to this report.

Public Consultation

The public consultation period concluded on 30 April 2013 with only one public submission provided from the Banjup Residents Group (BRG). While this group was not at the CEO's presentation, it is commendable that they have taken the time to review and comment on the CBP. A copy of that submission is attached.

The BRG lodged the following observations / queries:

Feral Animal Control. The submission noted that the City's adopted *Natural Area Management Strategy (NAMS)* identified a shortfall in funding for feral animal control in FY 12/13 of approximately \$11,722. The submission proposes that the City could spend a further \$30,000 to control feral animals just in the Banjup area. While not directly seeking this, the submission seeks the City to have a fully funded control program.

One of the problems associated with control programs is that they are less effective if they can't reach all properties in a given area. Banjup has a considerable number of private properties and the City is not able to bait or trap on these. Nor is this something the City would contemplate due to the un-controllable risks associated with accidental poisoning or trapping of non-target species, such as children and pets.

The NAMS does identify the need to prioritise the use of funding to ensure maximum control is achieved. In FY 13/14 the City proposes to spend \$41,350 on feral animal control, a 5% increase on the current FY. Additionally, the City has partnered with the City of Kwinana in a joint application for a Caring for Country grant.



The City also provides annual 'Landowner Biodiversity Grants', which can be applied to feral animal control. Details of this will be forward to the BRG.

Fire Management. The submission notes the NAMS commentary on weed management, which asserts the weed control program is underfunded to around \$500,000 pa. However, the NAMS also make the following observations:

- p28 "It is not currently possible to effectively manage all environmental weeds in all reserves."
- p28 "The current shortfall highlights the importance of prioritising bushland reserves for management purposes"
- p25 "Prepare Bushfire Response Plans for all conservation reserves and review every 3 years"
- p26 "Assess the suitability and appropriateness of prescribed burning to reduce the high fuel loads in reserves"

This commentary recognises that weed spraying is an important element in mitigating fire risk, but that also other risk mitigations (such as prescribed burning) should be considered.

The City has been actively implementing the NAMS recommendations with regard to Bushfire response plans. Likewise it has adopted other measures, such as Town Planning Scheme Amendment 92 'Bushfire Prone Areas', as a means of mitigating the risks and impact of bushfires.

In FY 13/14 the City proposes to spend \$877,661 on bushfire mitigation measures. Approximately 50% of the hours worked by our Bushland Maintenance Officers is spent on weed control. The amount allocated for FY13/14 was \$17,716 higher, but this included approximately \$80,000 from the DEC that related to revegetation works for Jandakot Airport clearing offsets that our now complete.

Staff Increases. The submission notes that the *Workforce Plan* proposes an increase to staff numbers over five years of 15%, compared to a stated 12% population increase over this time.

In the opening remarks on p5 of the Plan, it states that the City's growth rate has averaged 3.3%, this was averaged over the past decade. Recently released Australian Bureau of Statistics data showed that in FY 11/12 the City's population growth rate was 4.1%.

In setting the 3% target the City has sought to keep staff numbers at or about the rate of population growth. However, provision has also been made for increased staffing associated with business activities; eg



landfill and in future the marina, where the costs are directly offset against commercial income sources.

Similarly, the City has not pegged staff growth to just population increases. Over the next decade industrial and commercial growth across the City will be significant. Expansion of industrial estates predominantly increases the requirement for 'blue collar' employees. There is not a ready 'metric', however, that can be used to measure the impact of this growth. The number of hectares of new industrial area, or number of new business within the City, does not easily equate to a staff impact. As such the City uses measures such as wages /salaries as a percentage of overall expenditure or percentage of rates, to ensure overall labour productivity is being maintained.

The BRG submission asks 6 questions, with the answers provided below:

1. *How many FTEs are required to maintain current service levels?* 69 of the 79FTEs are related to growth in current activities; eg public open space maintenance.
2. *How many extra FTEs are required to provide extra services?* 10 FTEs are for new services, including the proposed Leisure Centre at CCW and the Marina.
3. *What is the quantified demand for these services?* Each new FTE was subjected to a business review and then prioritised by an internal management working party, prior to it being proposed in the Workforce Plan.
4. *What staff efficiency dividends will be delivered?* The City employs a variety of methods to review its' operations: external consultancy support, two internal IT business systems analysts and through regular 'internal audit' analysis. The outcomes of these efforts have led the City to have one of the lowest staff to income costs across all Metropolitan Local Governments.
5. *How will the additional payroll costs affect resident's rate bills?* As the growth in payroll costs has been matched to growth in income, no change is expected. The Long-Term Financial Plan indicates a steady state position for rate increases over the 10 years.
6. *Will payroll costs be maintained at or below 71% of rates?* The ratio for FY13/14 is 69.23% compared to the amended budget for FY12/13 of 71.71%. The current FY average ratio for the 30 Metropolitan Local Governments is 72.11%. The problem with this measure is that it does not take into account the impact of labour costs attributed to economic services (fees and charges) or



Operating Grants. As the income from these services varies, labour costs as a proportion of rates could also vary over time.

The City was offered and accepted the opportunity for an external review of the CBP by the Department of Local Government. This review noted that the CBP complied with the Integrated Planning Framework's standards, with one recommendation that the document provide more detail on the financial allocations over the five year period. As this level of financial detail is something that is included in the Annual Business Plan, additional text has been inserted into the CBP to explain this.

Annual Business Plan 2013/14

The focus of advertising the CBP was to seek comment on the list of tasks identified for FY13/14, to inform development of the ABP.

An ABP has been prepared annually and adopted with the Budget since FY 06/07, something introduced following the 2006 iteration of the City's Strategic Plan. The Business Plan sets out a summary of the activities to be undertaken by the City during the year. The Plan sets out by Division and Service Unit, projects to be undertaken, key performance measures and budgets for income and expenditure.

The format of the ABP has again evolved so that it contains detail of what CBP tasks are to be undertaken this FY. The inclusion of this information has also necessitated more space allocation to each Business Unit to explain details of their programs and activities for the year. The Annual Report will report on the actual achievements for the year compared to these project lists, measures and budgets.

Conclusion

The review of the adopted CBP has allowed staff to take a comprehensive review of all the City's strategies and intended timeframe for this. As a result, some changes to the CBP have been recommended.

The list of tasks for FY13/14 in the CBP has also formed the basis for tasks in the ABP. In the past the ABP has been presented with the budget item, but with the requirement to annually review the CBP the ABP will now be presented as part of that process.

Strategic Plan/Policy Implications

Leading & Listening

- Effective and constructive dialogue with all City stakeholders.



- Manage our financial and infrastructure assets to provide a sustainable future.

Budget/Financial Implications

The ABP is linked to the City's Annual Budget, which is the subject of a separate report. All incomes and expenditures in the ABP are mirrored in the Budget.

Legal Implications

Local Government Act (1995), section 5.56 and Local Government (Administration) Regulations 19DA refer.

Community Consultation

The public consultation on the tasks identified in the CBP for FY 13/14 was undertaken through advertising in the City update in the *Cockburn Gazette* newspaper, *Cockburn Soundings*, an on-line survey on the City's website and promotion to the CCDG forum on 26 March 2013. Copies of that presentation and of the CBP were also sent to the members of the CCDG.

Attachment(s)

1. Corporate Business Plan 2012/13 – 2016/17 (schedules of tasks)
2. Annual Business Plan 2013/14
3. Submission by Banjup Residents Group (Inc.) on the Corporate Business Plan.

Advice to Proponent(s)/Submissioners

The Banjup Residents Group has been advised this matter will be considered at the June Ordinary Council Meeting.

Implications of Section 3.18(3) Local Government Act, 1995

Nil

14. PLANNING AND DEVELOPMENT DIVISION ISSUES

- 14.1 (MINUTE NO 5060) (OCM 13/06/2013) - SINGLE HOUSE - LOCATION: 194 (LOT 11) SEMPLE COURT, COCKBURN CENTRAL - OWNER: MICHAEL MCGIVERN - APPLICANT: GEMMILL HOMES (5513433) (T CAPPELLUCCI) (ATTACH)**

RECOMMENDATION

That Council vary the provisions of Development Area 19 (Muriel



Court) of Town Planning Scheme No. 3 and grant Planning Approval for a single house at No. 194 (Lot 11) Semple Court, Cockburn Central, in accordance with the attached plans and information provided, subject to the following conditions and advice notes:

Conditions

1. Walls, fences and landscaped areas are to be truncated within 1.5m of where they adjoin vehicle access points where a driveway and/or parking bay meets a public street or limited in height to 0.75m.
2. All stormwater being contained and disposed of on-site to the satisfaction of the City.
3. No construction activities causing noise and/or inconvenience to neighbours being carried out after 7.00pm or before 7.00am, Monday to Saturday, and not at all on Sunday or Public Holidays.
4. The finished floor level of the dwelling shall not be less than 23m AHD.
5. The dwelling shall be designed and constructed in accordance with the *'Lot 11 Semple Court Urban Water Management Report'* submitted by Lenmac Groundwater Training and Consulting dated 21 March 2013.
6. The applicant shall, prior to commencing development, enter into a legal agreement to be prepared by the City's solicitors at the cost of the owner, which ensures that the owner cedes any land required for the subdivisional road, as identified in the approved Muriel Court Local Structure Plan to the City, free of cost and any charges, at the time that the land is required for the construction of the subdivisional road; and whereby the owner covenants to ensure that any person acquiring a legal or equitable estate in the land shall enter into a legal agreement with the City in the same terms; and authorises the City to lodge an absolute caveat over the land to ensure that such obligations run with the land if required.

Advice Notes

1. This is a Planning Approval only and does not remove the responsibility of the applicant/owner to comply with all relevant building, health and engineering requirements of the City, with any requirements of the City of Cockburn Town Planning Scheme No. 3, or the requirements of any other external agency.



2. The applicant is advised that any further development of additional dwellings and/or subdivision of the lot will result in the following requirements in accordance with the Muriel Court Local Structure Plan:
- i) Ceding of roads and laneway in accordance with the Muriel Court Local Structure Plan (as amended).
 - ii) Payment of contributions to the City for construction of ceded roads.
 - iii) Payment of Development Contributions under Development Contribution Area 11 (DCA11) and 13 (DCA13).
 - iv) Upgrading of the portion of Semple Court adjoining the land.
 - v) Other general development and subdivision requirements.

COUNCIL DECISION

MOVED Clr C Reeve-Fowkes SECONDED Clr V Oliver that the recommendation be adopted.

CARRIED 7/0

Background

The subject site is 2150m² in area and is located on the eastern side of Semple Court, Cockburn Central. The site is relatively flat and contains sparse vegetation. The site currently contains three (3) patios and one garage.

The subject site is zoned 'Development' under the City of Cockburn's Town Planning Scheme No.3 (TPS 3) and is located within a Special Control Area - Development Area 19 (Muriel Court) and Developer Contribution Area 11 (Muriel Court) and is subject to the provisions of the Muriel Court Local Structure Plan (LSP).

The proposal for a single house is inconsistent with the DA19 provisions of TPS 3. DA19 requires each subdivision and development application in the Development Area to achieve at least 75% of the potential number of dwellings achievable under the R-Code designed on the LSP. The LSP designates an R-Code of R25 & R60 for separate portions of the lot. The subject lot with an area of 2150m² has a potential lot yield of seven (7) lots. Therefore, the Scheme would require a minimum of five (5) lots or dwellings to be constructed.



Clause 5.6.1 of TPS No. 3 provides for variations to site and development requirements and the City has received legal advice from its solicitors (as detailed in Item 14.4 at the Ordinary Meeting of Council held on 13 December 2012 for a single house application at No. 146 Semple Court, Cockburn Central) advising that Council has the power to vary the DA19 standard of 75%. The power to vary the requirement arises from TPS Clause 5.6.1 which reads:

“5.6.1 Except for development in respect of which the Residential Design Codes apply, if a development is the subject of an application for planning approval and **does not comply** with a standard prescribed under the Scheme, the local government may, despite the non-compliance, approve the application unconditionally or subject to such conditions as the local government thinks fit”.

The application has had to address issues relating to finished floor levels of the dwelling and ensuring compliance with the Urban Water Management Plan for Muriel Court. The applicant has now provided an accurate Water Management Report which demonstrates how the development can be engineered to be consistent with the Local Water Management Strategy (LWMS) for Muriel Court.

All other statutory compliance issues relating to the application have been addressed and Council is now requested to determine the application.

Submission

The applicant seeks approval for a single storey house, 225.55m² in area, consisting of four bedrooms, one bathroom, theatre, family, meals, alfresco and double garage. The dwelling has been set back to the centre of the site and 32–36 metres from the future subdivisional road. The single dwelling is entirely within the R25 coded portion of the site. The applicant has included a plan with the application which demonstrates how the lot could be subdivided/developed to achieve the density targets of the LSP while incorporating the proposed dwelling.

Report

Statutory Framework

Metropolitan Region Scheme (MRS)

The subject site is zoned ‘Urban’ under the MRS and the proposal is consistent with this zone.



Town Planning Scheme No.3 (TPS 3)

The subject site is zoned 'Development' and is located within a Special Control Area listed under Part 6 of the Scheme (Development Area 19 - Muriel Court and Development Contribution Area 11 – Muriel Court).

DA19 includes nine separate provisions which apply to the land in addition to any general provisions of the scheme. Whilst the proposal is consistent with provisions 1-8, it is inconsistent with provision 9 which states:

'Each subdivision and development application in the DA19 area shall achieve at least 75% of the potential number of dwellings achievable under the R-Code designated for the application area on the adopted Structure Plan'

The proposal is for a single dwelling on a lot with an area of 2150m². As 75% of the potential yield of the site is five (5) dwellings the proposal does not comply with this standard.

Muriel Court Local Structure Plan (LSP)

The site is subject to the provisions of the Muriel Court LSP which was endorsed by the Western Australian Planning Commission (WAPC) on 16 February 2010. The LSP identifies portions of the site as suitable for residential development with densities between R25 – R60 and the remainder of the site showing a subdivisional road, and realigned portion of Semple Court.

Local Planning Policy APD 60 - Muriel Court Structure Plan Design Guidelines

The site is subject to APD 60 which provides design guidelines which set out the desired built form in the area. The site is located in the 'southern residential neighbourhood' which is identified for low to medium density residential development. The proposed dwelling is generally compliant with the requirements of this policy including the maximum lot width requirement of 20m as 17.5m of frontage is proposed, along with a 3m wide driveway running down the entire northern boundary which will become redundant when the new roads are created.

Discussion*Development Potential*

The LSP assigns a range of densities across the subject site as demonstrated by the table below:



	Area (m ²) approx	R-Code/Zoning	Development Potential
Portion 1	790	R25	2
Portion 2	1040	R60	5
Other	320	Other - Roads	N/A
Total	2150		7

The table above demonstrates that the maximum number of lots that could be created from the site is 7 lots.

To address this issue the applicant has included a plan (attached) demonstrating how the R25 and R60 portion of the site could be subdivided into 7 lots and achieve the full development potential for the site. It is considered that this is a logical demonstration of a future subdivision of the site corresponding to the LSP.

The proposed dwelling is located in the middle of the lot and setback 1m from the southern boundary and 3m from the northern as a result of the proposed driveway on this boundary. As such, it is setback in accordance with the requirements of the Muriel Court Design Guidelines and is located within the R25 area. The dwelling does not impact on the future road network shown on the LSP as it is proposing to have a driveway from the Muriel Court frontage along the northern boundary to access the dwelling as a temporary measure.

Provided that the dwelling is set at an appropriate level as informed by the Urban Water Management Plan and Local Water Management Strategy for the site (see below), it is unlikely that approval of the single house will prejudice the desired outcomes of the LSP and restrict any future development potential.

Dwelling Orientation

The proposed dwelling is not abutting either side boundary and is centrally located within the lot. This will result in a temporary streetscape with the dwelling set well away from the street. In the future the dwelling will become a rear battle axe dwelling accessed from the future road running through the eastern portion of the site.

Urban Water Management

The applicant has submitted a revised Water Management Report, dated 5 May 2013 which is now consistent with the Muriel Court LWMS. This was referred to the City's Development Engineer who has confirmed the levels outlined in the report and proposed plans, are acceptable provided an additional soak well is provided for the dwelling. This has now been shown on the latest amended plans received for the single house received and date stamped 13 May 2013. The proposed development along with the supporting Water



Management Report now complies with the UWMP and LWMS development levels for the location on the site and is therefore supported.

Developer Contributions

The subject site is located within Special Control Area DCA11 (Muriel Court) which provides for various infrastructure upgrades within the Muriel Court LSP area. However in accordance with clause 6.3.13.3, this proposal does not trigger the requirement for payment of developer contributions as the proposal constitutes the first single house on an existing lot which has not been subdivided. The same provision applies to DCA 13 (Community Infrastructure) contributions.

Road Reserves

As this proposal is for a single house and does not propose to subdivide the land, it is not considered reasonable to require the landowner to cede the road reserve and upgrade Semple Court at this time. This is on the basis that the development does not conflict with the Structure Plan and LWMS. It is considered reasonable that this occur on subdivision or future development of additional dwellings on the site (whichever comes first). This approach is in line with the Scheme provisions relating to developer contributions where the development of a single house and not proposing subdivision does not trigger the requirement to pay developer contributions.

Legal Advice

Legal advice in relation to an almost identical matter was received from the City's solicitors dated 3 December 2012. That advice was obtained as part of the consideration of DA12/0864 for a single house. The application was subsequently supported by Council approved under delegated Authority. The Legal advice confirms that the City may treat the DA19 provisions in Schedule 11 as a development standard which may therefore be varied.

The legal advice also confirms that the 75% provision in DA19 does not constitute a defacto density coding which would not be capable of variation. Also that the provision is not a standard applicable to a development by reason of the R-Codes that is measured by performance criteria that falls within the exception to clause 5.6.1.

Conclusion

The proposed development of a single dwelling on a lot where no subdivision is proposed is not considered to prejudice the future development potential of the land, nor the objectives of the Muriel



Court LSP. In particular a Water Management Report informing the correct lot level has been provided to the satisfaction of the City and it has been demonstrated the development will enable future development to occur in accordance with the LSP.

As the City's legal advice confirms that Council has discretion to vary the DA19 provision of the Scheme, Council is requested to determine the application accordingly.

Strategic Plan/Policy Implications

Growing City

- To grow our City in a sustainable way by: using land efficiently, protecting the natural environment and conserving biodiversity.
- Development that is soundly balanced between new and existing areas.
- Diversity of housing to respond to changing needs and expectations.

A Prosperous City

- Sustainable development that ensures Cockburn Central becomes a Strategic Regional Centre.

Budget/Financial Implications

N/A

Legal Implications

N/A

Community Consultation

N/A

Attachment(s)

1. Demolition Plan
2. Site Plan
3. Floor Plan
4. Elevation Plan
5. Future Development Plan
6. Water Management Report



Advice to Proponent(s)/Submissioners

The Proponent(s) have been advised that this matter is to be considered at the 13 June 2013 Council Meeting.

Implications of Section 3.18(3) Local Government Act, 1995

Nil.

14.2 (MINUTE NO 5061) (OCM 13/06/2013) - PROPOSED MODIFICATION TO CELL 6 YANGEBUP STRUCTURE PLAN - LOCATION: LOTS 1 & 2 YANGEBUP ROAD, YANGEBUP - OWNER: GALATI NOMINEES PTY LTD - APPLICANT: PLANNING SOLUTIONS (110/034) (R COLALILLO) (ATTACH)

RECOMMENDATION

That Council

- (1) endorse the Schedule of Submissions prepared in respect of the draft modified Cell 6 Yangebup Structure Plan ("modified Structure Plan");
- (2) pursuant to Clause 6.2.9.1 of City of Cockburn Town Planning Scheme No. 3 ("Scheme"), adopt the modified Structure Plan (as shown within Attachment 3) subject to:
 1. The western street block being modified from Residential 'R30' to Residential 'R25' as shown within Attachment 6.
- (3) in pursuance of Clause 6.2.10.1 of the Scheme, the modified Structure Plan be sent to the Western Australian Planning Commission for endorsement;
- (4) advise the proponent and those parties that made a submission of Council's decision accordingly; and
- (5) advise the proponent that the site is subject to both Development Contribution Area No. 4 and Development Contribution Area No. 13.

COUNCIL DECISION

MOVED Clr C Reeve-Fowkes SECONDED Clr V Oliver that the recommendation be adopted.

CARRIED 7/0



Background

The original Yangebup Cell 6 Structure Plan was approved by Council on 21 December 2004 and endorsed by the Western Australian Planning Commission ("WAPC") on 15 March 2005. Since then, the Structure Plan has been subject to minor modification/s, which was dealt with in accordance with the statutory requirements of City of Cockburn Town Planning Scheme No. 3 ("Scheme"). The current version of the Structure Plan is dated 23 February 2011, a copy of which is contained in Attachment 2 to this report.

A proposal to modify the Structure Plan pertinent to Lots 1 and 2 Yangebup Road, Yangebup ("subject land") has been lodged with the City in order to affect a density change for the subject land.

The modified Structure Plan has been advertised for public comment and also referred to authorities for comment. This report now seeks to specifically consider the proposal for adoption, in light of the advertising process and assessment by officers.

Submission

The modified Structure Plan (as shown in Attachment 3) was lodged by Planning Solutions on behalf of the landowner. The modified Structure Plan has been prepared in support of the proposed recoding of the subject land from its existing density of Residential 'R20' to Residential 'R30' and 'R40'. In addition to an increase in dwelling yield, the proposal states that the modification will provide road layout improvements/efficiencies and more appropriate drainage arrangements (as shown in Attachment 4).

Report

Planning Background

The subject land is 4.15 hectares in size and generally bound by residential development to the north and west, Shall cross Street to the east and Yangebup Road to the south as shown within Attachment 1.

The subject land is zoned 'Urban' under the Metropolitan Region Scheme ("MRS") and 'Development' under City of Cockburn Town Planning Scheme No. 3 ("Scheme"). The subject land is also located within Development Area. 4 ("DA 4"), Development Contribution Area No. 4 ("DCA ") and Development Contribution Area No. 13 ("DCA 13").



Proposed Modified Structure Plan

The proposed modification to the Cell 6 Yangebup Structure Plan proposes to alter the approved land use from low density residential development and associated road network to a medium density outcome. No changes are proposed to the location and amount of public open space ("POS") being provided.

Residential Density

As noted above the proposal seeks to increase the residential density of the subject site from low density Residential R20 to medium density Residential R30 and R40.

Under the existing residential density coding, yield of approximately 50 lots is possible for the subject land. Under the proposed modification a potential yield of 68 single houses and grouped dwellings would be possible. Although an R Coding of R30 or above allows multiple dwellings to be developed, the proponent has confirmed that this would not be their intention given the prevailing lot sizes and existing form of development in the locality.

Directions 2031

Directions 2031 and Beyond ("Directions 2031") is the latest strategic document and framework for the future growth and development of the Perth Metropolitan Area and Peel Region. In recognising Perth's existing built environment and anticipated population growth, the Strategy reinforces the need for Perth to be more compact and ensure more efficient use of land and infrastructure. One of the key methods of achieving these objectives is providing for higher densities and innovative dwelling designs to cater for a variety of housing types and improved affordability.

It is noted that the ultimate purpose of the Structure Plan modification is to provide an increased density of residential development for the subject land. This is highlighted by the proposal providing an average of 16.8 dwellings per gross hectare which is above the minimum target of 15 dwellings per hectare stipulated by Directions 2031. In this regard, the proposed Structure Plan modification is considered to meet the strategic themes and requirements of Directions 2031.

Liveable Neighbourhoods

The current edition of Liveable Neighbourhoods reinforces the requirement for structure plan and subdivision design to provide for site-responsive design, enhanced local identity, development of



frontages to streets, open spaces and a wider choice of housing, together with increased residential density.

In considering the proposed Structure Plan modification in respect of the above, it is noted that the subject land is within an area of high amenity value given the presence of POS and the future Beeliar Local Centre being within 500 metres. It is on this basis that the land is considered suitable to support higher densities of residential accommodation. As such, the modified Structure Plan proposal conforms to the key elements of Liveable Neighbourhoods.

Community Consultation Outcomes

The modified Structure Plan was advertised for public comment for a period of 21 days in accordance with the Scheme requirements. A total of 16 submissions were received, with 9 submissions expressing concerns or objecting, 5 stating no objection and 2 having no objection subject to certain conditions and/or modifications.

All submissions have been outlined and addressed in detail in the Schedule of Submissions (Attachment 7). The key issues that were raised are summarised below.

Density

Many of the submissions raised concerns in relation to 'high density' development being proposed for the locality. The term high density relates to residential densities of R80 and above where as the proposal is in fact for medium densities of R30 and R40. The impact in terms of dwelling yield is considered moderate given that the difference between the existing R20 coding and proposed R30/R40 codings enables a potential increase of 18 dwellings. The type of development proposed is consistent with the existing structure plan and surrounding area given that single house development is the predominant outcome proposed.

Although the proposed densities are considered reasonable as outlined above, an amendment to the proposal is recommended as shown within Attachment 6. The change from R30 to R25 for those lots backing onto existing R20 development to the west of the subject land is considered an appropriate interface and transition.

Traffic

A number of submissioners noted concerns regarding increased traffic volumes emanating from any medium density proposal. The proponent has prepared a Traffic Management Review ("TMR") to provide assurance that any increase in traffic can be managed safely and



efficiently by the existing road network (refer to Attachment 5). The TMR has been verified by the City's Engineering Services.

The TMR notes that the existing Cell 6 Structure Plan allows the subject land to provide 53 dwellings which can be expected to generate 424 vehicle movements per day. The proposed rezoning will enable the development of 68 dwellings which is expected to increase local traffic flows by no more than 120 vehicle movements per day. Based on this the TMR concludes that given the maximum anticipated traffic increases, all local roads will continue to operate in an acceptable manner and in accordance with the recommendations set out in Liveable Neighbourhoods.

It should be noted that many submissions raised objections to the proposal based on concerns relating to:

- negative impact on property values;
- increased anti-social behaviour;
- increased rental properties;
- change in demographics of the area.

The above concerns have not been considered in light of the proposal as they relate to non-planning related matters. As such, no other modifications to the proposed structure plan are recommended.

Conclusion

It is recommended that Council adopt the modified Structure Plan. Approval is recommended on the basis that it will facilitate a greater mix and diversity of dwelling types for the locality. The modified Structure Plan is considered to reflect the objectives of Directions 2031 and Liveable Neighbourhoods.

Strategic Plan/Policy Implications

Growing City

- Development that is soundly balanced between new and existing areas.
- Diversity of housing to respond to changing needs and expectations.

Budget/Financial Implications

The Structure Plan fees for this proposal have been calculated in accordance with the *Planning and Development Regulations 2009*, including the cost of advertising and this has been paid by the applicant.



Subdivision and development of the subject land is subject to the requirements of the City's Development Contribution Plan 4 – Yangebup West and Development Contribution Plan 13 – Community Infrastructure.

Legal Implications

Planning and Development Act 2005
City of Cockburn Town Planning Scheme No. 3
Town Planning Regulations 1967

Community Consultation

Community consultation was carried out for a period of 21 days. The proposal was advertised in the newspaper, on the City's website, in the City's administrative office and letters were sent to landowners and government/servicing authorities in accordance with the Scheme requirements.

A total of 16 submissions were received. Analysis of the submissions has been undertaken within the 'Report' section above, as well as the attached Schedule of Submissions.

Attachment(s)

1. Location Plan
2. Existing Cell 6 Yangebup Structure Plan
3. Proposed Modified Cell 6 Yangebup Structure Plan
4. Existing and Proposed Cell 6 Structure Plans
5. Transport Impact Assessment
6. Recommended Amendment to Modified Cell 6 Structure Plan
7. Schedule of Submissions

Advice to Proponent(s)/Submissioners

The Proponent(s) and those who lodged a submission on the proposal have been advised that this matter is to be considered at the 13 June 2013 Council Meeting.

Implications of Section 3.18(3) Local Government Act, 1995

Nil



(MINUTE NO 5062) (OCM 13/06/2013) - MEETING BEHIND CLOSED DOORS**COUNCIL DECISION**

MOVED Clr S Portelli SECONDED Clr C Reeve-Fowkes proceed behind closed doors to consider the following item, pursuant to Section 5.23 (2)(f)(iii) of the Local Government Act, 1995.

CARRIED 6/1

Reason for Decision

It is proposed to discuss matters which relate to the confidential attachment for this item.

- 14.3 (MINUTE NO 5063) (OCM 13/06/2013) - RETROSPECTIVE CHANGE OF USE - FACTORY TO CLUB PREMISES - LOCATION: 4/13 (LOT 22) PORT KEMBLA DRIVE, BIBRA LAKE - OWNER: HAYLEY LOUISE BOND, KRISTOPHER GRAHAM BOND, PETA NICOLE RYAN & SULTENE PTY LTD - APPLICANT: URP TOWN PLANNERS & BUILDING DESIGNERS (1105155) (T CAPPELLUCCI) (ATTACH)**

RECOMMENDATION

That Council

- (1) grant Planning Approval for the Retrospective Change of Use from Factory to Club Premises at 4/13 (Lot 22) Port Kembla Drive, Bibra Lake, in accordance with the attached plans and subject to the following conditions and footnotes:

Conditions

1. This approval is only valid from the date of Council's decision and does not retrospectively authorise any previous unapproved use of the premises.
2. The premises shall be kept in a neat and tidy condition at all times by the owner/occupier to the satisfaction of the City.
3. No more than twenty five (25) persons are permitted on the premises at any one time.
4. The entire ground floor area shall only be used for the purpose of a 'Club Premises' as defined in the City of

Cockburn Town Planning Scheme No. 3.

5. The premises are not approved as a licensed premise; therefore, consuming or serving of alcohol is not permitted on the premises. The bar, indicated on the floor plan is not to be used for this purpose unless a change of use would be required and further approval from the City.
6. The land use 'Club Premises' shall not continue or recommence until or unless the premises has been brought into compliance with the Health (Public Building) Regulations 1992, current Building Codes of Australia requirements and a Certificate of Occupancy has been granted by the City's Health Services section.
7. The club premise is only permitted to operate:
 - a) Tuesday between the hours of 7.00 p.m. to 9.00 p.m. and Friday between 6.30 p.m. to 12.00 a.m. to conduct club meetings.
 - b) Saturday between the hours of 7.00 p.m. to 12.00 a.m. once every two months per calendar year, to conduct private functions.
 - c) Monday to Friday (excluding Public Holidays) between the hours of 8.00 a.m. to 7.00 p.m. for informal use by club members and for not more than two days per calendar week.
 - d) On a Saturday, Sunday or Public Holiday between the hours of 8.00 a.m. to 7.00 p.m. for informal use by the club members.

Footnotes

1. This is a Planning Approval only and does not remove the responsibility of the applicant/owner to comply with all relevant building, health and engineering requirements of the City, with any requirements of the City of Cockburn Town Planning Scheme No. 3, or the requirements of any other external agency.
2. Advertising signs are to be in accordance with the requirements of the City of Cockburn Town Planning Scheme No. 3. Non-exempt signage will require separate planning approval.



3. The primary use of the development hereby approved is Club Premises, defined in the City of Cockburn Town Planning Scheme No. 3 as “premises used by a legally constituted club or association or other body of persons united by a common interest”.
- (2) notify the applicant and those consulted of Council’s decision.

COUNCIL DECISION

MOVED Clr S Portelli SECONDED Deputy Mayor K Allen that Council:

- (1) refuse to grant planning approval for a retrospective change of use Factory to Club Premises at Unit 4 No. 13 (Lot 22) Port Kembla Drive, Bibra Lake for the following reasons:
 1. Impact on the amenity of the area by way of noise, movement and events held at the premises (TPS3 s 10.2.1 (n));
 2. Likely social issues that may result from the operation of the proposed club house which can affect the amenity of the locality (TPS3 s 10.2.1 (j)); and
 3. In consideration of the objection received on the application (TPS3 s 10.2.1 (y));
- (2) issue a Directions Notice under section 214 of the Planning and Development Act 2005 for the Club Premises use to cease within 60 days of the date of the notice; and
- (3) notify all those parties consulted in respect of this application of Council’s decision.

MOTION LOST 3/4

CLR PORTELLI WISHED HIS VOTE FOR THE MOTION TO BE RECORDED

MOVED Clr V Oliver SECONDED Clr B Houwen that Council defer the matter to a future meeting of Council:

- (1) to allow a briefing from the WA Police and the applicant; and



- (2) to obtain a legal opinion on matters associated with Council's liability and community risk.

CARRIED 7/0

Reason for Decision

Council felt that there needs to be more information provided prior to making a determination in relation to legal liabilities and community risk.

Background

In early October 2012, the City was advised by the Organised Crime Squad that the Rebels Motor Cycle Gang were operating at the subject premises and the Crime Squad's intention to have them evicted from the subject premises.

The City's investigations confirmed that the property was being used for the purposes of a Club Premises without prior planning approval. This investigation resulted in the City's Planning Compliance Officer, by letter dated 3 December 2012, notifying the landowners of Unit 4/13 Port Kembla Drive, Bibra Lake that planning approval was required for, but had not been obtained for the use of Unit 4 as a Club Premises. The landowners were advised to either cease the use or to lodge an application seeking retrospective planning approval for the Club Premises.

On 10 of December 2012, a meeting was held with the City's Officers and some of the owners of the site, where planning and building requirements were discussed. The owners present were advised that planning approval for a change of use was required.

On the 18 January 2013 the City of Cockburn received an email from planning consultants URP Town Planners & Building Designers, enquiring on behalf of the owner and tenants of 4/13 Port Kembla Drive, Bibra Lake regarding a change of use of the unit from Factory to Club Premises, associated with the Rebels Motorcycle Club.

A response letter advised URP that a DA was required and set out a range of compliance matters. It was noted that the car parking ratio for club premises is the same as the existing use with a ratio of 1 bay for 50m² GLA.



An application for planning approval (DA13/0264) was subsequently lodged with the City by URP, on behalf of the landowners, on 27 March 2013. This application proposed a change of use of the premises from 'Factory' to 'Club Premises' with no selling or supplying of liquor to occur on-site.

Submission

This application seeks the retrospective approval of the City to allow a 'Club Premises' to operate at the subject site.

Following lodgement of the application, the applicant clarified that the 'Club Premises' was for a club operated by an incorporated motorcycle club, identified as the Rebels Motorcycle Club. Formal club meetings are proposed to take place twice a week outside normal business hours (i.e. Tuesdays from 6.30 p.m. to 9.00 p.m. and Fridays from 6.30 p.m. to midnight). The premises are also intended to be available for informal use by the club members on a daily basis (Monday to Sunday, excluding Public Holidays) outside the abovementioned hours to assist with general maintenance and ongoing operation of the club. It is also proposed to hold occasional private functions on selected Saturday nights up until midnight. The maximum number of members to be present in the club at any one time is proposed to be twenty five (25). However the maximum occupancy of the building is likely to be 50 people.

Report

Zoning and Use

The site is located within the Mixed Business zone, the objective of which is to provide for a wide range of light and service industrial, wholesaling, showrooms, trade and professional services, which, by reason of their scale, character, operation or land requirements, are not generally appropriate to, or cannot conveniently or economically be accommodated within the Centre or industry zones.

A 'Club Premises' is classified as a permitted ('P') use within the 'Mixed Business' zone, meaning a use that is permitted by the Scheme providing the use complies with the relevant development standards and requirements of the Scheme. . The land use 'Club Premises' is defined in TPS No. 3 as follows:

"Means premises used by a legally constituted club or association or other body of persons united by a common interest."

The objection received during the consultation period made reference to the incompatibility of the proposed 'Club Premises' with the existing



land uses within the locality. It was stated that the proposed use may generate anti-social behaviour, which will impact on the safety of tenants, landowners and their clients, visitors etc.

Concerns about anti-social behaviour in this instance appear to relate to club patrons and members, and to be based partly on the perception of outlaw motorcycle clubs. One (1) objection has been received during the consultation period. Given the motorcycle club has been operating without approval at the premises for some time now, and no other comments have been received from adjoining owners, this may indicate that the club premises has been operating without impacting on the amenity of the adjoining properties.

The applicant has advised that activities will be undertaken behind closed doors. If concerns of anti-social behaviour ever to arise in the future due to the club operations, those concerns will need to be directed to the WA Police as is the case with any business or activity where there is illegal behaviour.

The proposed use of the premises is consistent with the TPS3 land use permissibility and does not prejudice the objectives of the 'Mixed Business' zone as stated under TPS No. 3. Further TPS No. 3 does not contain powers to discriminate between different types of clubs based on the suspected activities of the members.

Car Parking

The subject site at No. 13 Port Kembla Drive, Bibra Lake, requires a total of thirty-nine (39) car bays on-site for the land uses operating from the six (6) units. The number of car parking bays required for the other five (5) units along with the proposed change of use of Unit 4 from 'Factory' to 'Club Premises' is as follows:

Unit	Land Use	Area	Parking Requirement
1	Showroom	140m ²	1:50m ² = 3 bays
2	Motor Vehicle Sales	300m ²	1:5 vehicles + 1:1 employee = 5 bays
3	Factory	305m ²	1:50m ² = 7 bays
4	Club Premises (Proposed)	302m ²	1:50m ² = 7 bays + 1 Loading Bay at 1:500m ²
5	Dance Studio	200m ²	4 bays
6	Showroom	610m ²	1:50m ² = 13 bays
<i>Total bays Required</i>			39 bays
<i>Total bays Proposed</i>			39 bays



Given that the subject site at Unit 4 is changing use from 'Factory' to 'Club Premises' which both have the same car parking requirement of 1:50m², the required amount of car parking bays on-site will not change from what is already existing and therefore no variation to the parking requirements of TPS No. 3. However the premises require the provision of one (1) loading bay. Table 3 of TPS No. 3 lists the standards for Club Premises and this includes a requirement for a loading bay. This has not been addressed in the application. However it is clear that a loading bay facility is located adjacent to car bay no. 25 on the site plan SK1.01 dated 12 February 2013 which satisfactorily addresses this matter.

The proposed 'Club Premises' proposes that a maximum of twenty five (25) club members will be accommodated in the premises at any one time. Most of the other approved uses in the complex operate primarily during normal business hours. The attendance of the maximum number of twenty five (25) club members will only occur during the formal club meetings twice a week and outside normal business hours (Tuesdays from 6.30 p.m. to 9.00 p.m. and Fridays from 6.30 p.m. to midnight). Along with the occasional private function once every two months on Saturday nights (between 7.00 p.m. to midnight), the proposed maximum number of club members and car parking bays provided solely for the 'Club Premises' use is considered to comply with the Scheme.

It is not stated in the application that the number of people other than club members is limited and therefore the proposed condition refers to 25 persons, and not 25 club members.

Amenity Impacts

The objection received during the consultation period also made reference to potential amenity impacts resulting from the proposed use being supported. Amenity is defined under TPS No. 3 as follows:

"Means all those factors which combine to form the character of an area and include the present and likely future amenity."

The comments made did note how the proposal may impact on the amenity of the area; however it is assumed that the basis of the sentiments made in the objection stems from the nature of the club and the broader public perception of such clubs and their members/patrons.

In reference to the land use and its general impact on the amenity of the locality, the Organised Crime Squad in discussions with City Officers has noted that the safety of nearby businesses, i.e. as a result



of gang crime activity and feud violence, could cause potential amenity issues.

The hours of operation for the club premises being recommended and limited periods proposed specifically for club meetings and special events are considered acceptable for a Club Premises and have been recommended as conditions accordingly. These controls are more limiting than what the applicant has proposed.

However, in regard to the informal use of the club premises, it is recommended that the proposed hours for informal use of the club by its members be modified to reduce potential conflicts with surrounding business activities. The proposal intends on having the premises open for informal use seven days a week, from 8.00am to at least 6.30pm, with some days being till 9pm and Saturdays till midnight.

Given the potential conflicts with surrounding uses, in particular, those units within the same complex at No. 13 Port Kembla Drive, Bibra Lake, the City recommends that the proposed club premises / only be permitted to operate for informal use within the following hours:

- Monday to Friday (excluding Public Holidays) between the hours of 8.00 a.m. and 7.00 p.m., for not more than two days per calendar week.
- On a Saturday, Sunday or Public Holiday between the hours of 8.00 a.m. and 7.00 p.m.

In view of the above, the City considers that the proposal, with these conditions imposed on operating hours, will minimise any adverse impact on the amenity of the locality.

Provision of "Bar" Facilities

From the plans received, an issue was raised concerning the internal fit out proposed for the club premises regarding the 'bar' shown on the plans. It has been clarified by the applicant that the 'bar' will not be used for the purposes of a licensed premises (i.e. there is no intention to sell and supply liquor to club members or guests for consumption on or off the premises). As a result, given the information provided the 'bar' facility does not impact the assessment of this development application and no Public Interest Assessment Report (PIAR) is required. A condition has been proposed to ensure that the premises are not licensed premises.

Public Building Approvals

The City's Health Services has raised an issue concerning Unit 4's compliance with the Public Building Regulations and health legislation.



The City's Health and Building Services sections confirmed that the premises would be considered a 'Public Building' and therefore must comply with specific health and public building regulations. Representatives from Building and Health Services considered that the building could be made to comply with these requirements, and would be further addressed upon application for a building permit for the internal fit out. The City's Health Services have confirmed that the fit out will have to install another toilet and therefore allow, for a total attendance of 1-50 people by providing, 1 x male WC, 1 x urinal, and 1 x female WC as well as meeting other requirements such as lighting, doors, exit signs etc.

Referrals

The City was made aware of the site not being used for its approved use by the Organised Crime Squad in October 2012. Since then the City has liaised with the Organised Crime Squad regarding this subject retrospective application. As part of the assessment undertaken, the Organised Crime Squad intelligence unit has provided the City with an up to date 'Security-in-Confidence' Report for the subject premises (see attachment 5). The report makes mention that as at July 2012, a number of renovations were taking place at the premises which appear to not have been approved by the City. As such, if the proposed use is supported, a condition has been recommended that all relevant building and health approvals from the City will be required.

In addition, the report outlines how the Rebels Outlaw Motor Cycle Gang (OMCG) do engage in criminal activity, which can be a risk for those properties, businesses and people surrounding the club premises. The report mentions examples of previous instances and potential issues in the future which may impact on the amenity of adjoining properties as well as other innocent people not directly related to the Rebels OMCG.

From the City's consultation with adjoining property owners, the occupiers of the other units within the same complex, plus the three (3) owners of No. 13 Port Kembla Drive complex signing the MRS Form 1 for lodgement of the application, there is little to indicate a history of or likelihood of future amenity impacts, other than the police report.

The use of the subject unit for 'club premises' has been operating for some time now and during the consultation period, only one (1) objection was received, with four (4) support submissions. While it is noted that the club premises may have potential amenity impacts, these impacts are based partly on the broader public perception of 'outlaw' motorcycle clubs and not based on observations by complainants/adjoining properties in this particular instance.



It is understandable to think that the club premises may have a detrimental impact due to the Rebels OMCG allegedly engaging in criminal activity, however, provided the 'club premises' as proposed complies with the conditions of approval and information provided in the application, it is considered to comply with the provisions and standards of the Scheme.

Conclusion

In light of the above, it is recommended that Council approve the application, subject to appropriate conditions. The reasons for considering support of the retrospective club premises are:

1. The premises are now being used in accordance with the application that has been submitted.
2. The use class 'Club Premises' is a use that can be approved at Council's discretion in the Mixed Business zone given it is a 'P' permitted use and does not prejudice the objectives of that zone.
3. The club activities will not be evident from the exterior of Unit 4 and not visible from the street or other premises within the complex at No. 13 Port Kembla Drive, Bibra Lake. As such, the proposal is not considered to have any adverse impact on the amenity of the locality.
4. The City recommends that the club only be permitted to operate occasionally for informal use between the hours of 8.00 a.m. to 7.00 p.m. weekdays, excluding public holidays and 8.00 a.m. to 7.00 p.m. on weekends along with specific days and hours of operation for club meetings and special events outside of the informal use hours of the club premises. Use of the premises beyond the approved hours (and other conditions) of operation would result in development compliance and/or enforcement proceedings being commenced against the club by the City.
5. During the consultation period, one objection was received, with four (4) supporting submissions received underlining that the retrospective use which has already been operating is capable of being conducted in a manner which may not generally be contrary to the Scheme requirements.

Strategic Plan/Policy Implications

Infrastructure

- Community facilities that meet the diverse needs of the community now and into the future.



Community & Lifestyle

- Community environments that are socially cohesive and embrace diversity.

Budget/Financial Implications

Nil.

Legal Implications

Town Planning Scheme No. 3
Planning and Development Act 2005
State Administrative Tribunal Regulations

Community Consultation

As per Clause 10.2 of the City of Cockburn Town Planning Scheme No. 3, the local government in considering an application for planning approval shall have due regard to matters which, in the opinion of the local government, are relevant to the use or development of the subject land. With this specific application, while 'Club Premises' is a 'P' permitted use within the 'Mixed Business' zone, given the potential impacts of the proposed use on the adjoining properties, the City has referred the application to the owners of the strata units to the south of the subject site at No. 15 Port Kembla Drive, the northern adjacent property at No. 2 Altona Street, along with the three (3) directly opposite properties on the other side of Port Kembla Drive, Bibra Lake. The advertising period was for 14 days. A map detailing the properties consulted is detailed in attachment 4.

At the conclusion of the comment period, five (5) submissions were received, with one (1) objection. The four (4) supporting submissions provided no comment. The issues raised by the objection letter received in respect of the application were:

- The amount of traffic in and out of the premises;
- Parking will be affected;
- This is an industrial area, safety is an issue;
- Likely scenario of increased crime; and
- Value of property may decrease as an industrial building.

Attachment(s)

1. Location Plan
2. Site Plan
3. Internal Floor Plan



4. Consultation Map
5. Security-in-Confidence Police Report (Confidential provided under separate cover)

Advice to Proponent(s)/Submissioners

The Proponent(s) and those who lodged a submission on the proposal have been advised that this matter is to be considered at the 13 June 2013 Council Meeting.

Implications of Section 3.18(3) Local Government Act, 1995

Nil.

(MINUTE NO 5064) (OCM 13/06/2013) - MEETING OPEN TO THE PUBLIC

COUNCIL DECISION

MOVED Clr C Reeve-Fowkes SECONDED Deputy Mayor K Allen open the meeting to the public the time being 7.55 pm.

CARRIED 7/0

THE PRESIDING MEMBER ADVISED THE PUBLIC OF THE DECISION OF COUNCIL WHILST BEHIND CLOSED DOORS

14.4 (MINUTE NO 5065) (OCM 13/06/2013) - RETROSPECTIVE CHANGE OF USE FROM WAREHOUSE TO SHOWROOM, WAREHOUSE AND OFFICE - LOCATION: 24 (LOT 681) HORUS BEND, BIBRA LAKE - OWNER: CONSOLIDATED DEVELOPMENTS PTY LTD - APPLICANT: LOU SLOOT (6013021) (R SIM) (ATTACH)

RECOMMENDATION

That Council refuse to grant approval to commence development for a retrospective change of use from warehouse to showroom, warehouse and office at 24(Lot 681) Horus Bend, Bibra Lake for the following reasons:

- (1) the proposal does not comply with the car parking standards of Town Planning Scheme No. 3 set out in Table 3 – Commercial Use Classes and Table 4 – Industrial Use Classes for the proposed Showroom and Warehouse uses respectively;
- (2) the proposal is contrary to Town Planning Scheme No.3 Clause 5.9.4 as the site will not be convenient, functional or accessible



due to the proposed car parking short fall.

- (3) the proposed variation is contrary to orderly and proper planning where variation of the Scheme standards directly impact on the efficient operation of an important employment area.

COUNCIL DECISION

MOVED Clr S Portelli SECONDED Clr B Houwen that the recommendation be adopted.

MOTION LOST 0/7

MOVED Clr C Reeve-Fowkes SECONDED Clr B HOUWEN that the matter be deferred to a future meeting of Council to enable Councillors to view the site and get a better understanding of the change in conditions.

CARRIED 7/0

Reason for Decision

Council decided to defer the matter until further discussions are held and report is presented to a future Council meeting. It felt that further negotiations need to take place with the proponent prior to a decision being made. There are certain standards and conditions that need to be met in accordance with Council's Town Planning Scheme No.3. It is not Council's intention to turn away businesses who wish to operate in the area. Council is willing to compromise so that the business can continue in the area but at the same time comply with the regulations of the City.

Background

The proposal seeks approval for a retrospective change of use from "warehouse" to "showroom and warehouse" at 24 Horus Bend Bibra Lake. The subject site was approved as two warehouse units under delegated authority on 23 February 2011 with a provision of 10 parking spaces (5 parking spaces for each unit). An additional approval for office additions to existing warehouses was issued on 12 November 2012. No additional parking spaces formed part of this approval. The units are contained under one ownership on a single lot and are not strata titled.



On 18 December 2012, the City received application for a change of use from warehouse to general industry and boat sales. Unit 1 was intended to be used for a workshop to service and repair boats and unit 2 was intended to be used as a showroom for ski related equipment. The application sought removal of one parking space to be used as a permanent display bay for sales and the creation of an additional 2 parking spaces located in front of the sales area for unit 2. As part of the assessment process, both units 1 and 2 required a provision of 9 parking spaces, resulting in a total onsite parking requirement of 18 car spaces. However, only 9 functional car spaces were being proposed. The application was refused under delegated authority on 6 February 2013 for the following reasons:

1. A total of 9 parking spaces were shown onsite in lieu of the required 18 parking spaces.
2. The 2 parking spaces located in front of the sales area for unit 2 shown on the plans were not consistent with the requirements of orderly and proper planning.

Further to this, a site visit conducted by City officers on 29 January 2013 which identified that development had already commenced onsite without the appropriate approvals being in place. The applicant was advised by way of footnote to cease and remove development within 28 days from the date of the letter of refusal to commence development.

Following a subsequent site visit and meeting with the owner of 'Malibu Boats' by the City's Planning Officer on 14 February 2013, the current retrospective change of use application was received by the City on 5 March 2013 along with a covering letter setting out their justification for the variation. Plans and letter are attached

Submission

The site plan for the current retrospective application consists of a warehouse, showroom and ancillary offices.

Unit 1

This remains a warehouse with the applicant advising that minor maintenance and servicing of boats will occur.

Unit 2

A site visit by the City's Planning Officer has determined that Unit 2 is currently being used as a 'showroom' under Town Planning Scheme No. 3. The applicant is proposing this unit be retrospectively approved as a showroom to allow the use to continue.



The two office additions approved in November 2012 are still intended to be utilized as office facilities.

The applicant has advised in writing that the warehouse and showroom will employ 3 staff members, which has been reduced from the 5 staff members indicated in the original application.

No parking area is being proposed for display of goods.

Based on the above information, the required parking standards for the original and proposed uses under Town Planning Scheme No. 3 are shown below.

Application No.	Approved use	Floor space	Parking standard	Required parking	Parking provided
DA10/1036 – Original Approval	2 warehouse units	736m ²	Warehouse = 1 car bay per 100m ² gla	4 car bays per lot (8 in total)	10 car bays
DA12/0867 – Office Additions	Office additions to existing warehouses	Warehouse – 333m ² per unit Office – 35m ² per unit	Warehouse – 1 car bay per 100m ² gla Office – 1 car bay per 50m ² gla	4 car bays per lot (8 in total)	10 car bays
DA13/0196 - Current Application	Change of use to showroom and warehouse	Showroom – 333m ² Warehouse – 333m ² Office – 35m ² per unit	Showroom – 1 Car bay per 50m ² gla Warehouse – 1 car bay per 100m ² gla Office – 1 car bay per 50m ² gla	12 parking bays.	10 car bays.

The table above demonstrates that there will be a two bay car parking shortfall as a result of the proposed change of use.

There are 10 car bays on site whereas the Scheme requires the provision of 12 car bays to accommodate the proposal.

Report

While it is noted that the applicant has made several changes to the operations of the business with regard to intensity and scale in order to reduce the required onsite parking to an amount closer to the requirements under Town Planning Scheme No. 3, the current retrospective proposal generates a parking requirement that still exceeds the parking that is provided on site by two bays or 17%.



The use of the subject site as a showroom and ancillary warehouse facility will generate visitor trips and parking higher than that of what the original planning approval allowed for. A business primarily operating as a showroom for boats and ski related equipment will also present ongoing parking management issues due to the size of goods retailed from the subject site and expected day to day operations. The periodic delivery and dispatch of boats and ski related equipment could adversely impact on the onsite parking, with boats and ancillary equipment being temporarily located in parking areas in order to facilitate the arrival and removal of stock to and from the constrained site.

Furthermore if retrospective approval were to be granted for the proposed use, it may establish an undesirable precedent for the undersupply of car parking within the Phoenix Business Park on subsequent changes of use. It may then encourage applications for many similar speculative warehouse developments to seek a change of use where sufficient car parking cannot be provided.

The potential impact of cumulative car parking variations is substantial. There is already substantial development compliance and parking control issues relating to use of premises in this area. A large measure of this is attributed to speculative warehouse development with insufficient car parking for other uses.

In light of the above, retrospective change of use from “warehouse” to “showroom and warehouse” at 24 Horus Bend is considered:

1. To be contrary to the parking standards set out in the scheme for the proposed use.
2. Likely to affect the amenity of the surrounding area due to the impact of insufficient parking being provided on site for the proposed uses.
3. To be contrary to orderly and proper planning as approval would result in insufficient parking being provided for the use on site.

Strategic Plan/Policy Implications

Growing City

- To grow our City in a sustainable way by: using land efficiently, protecting the natural environment and conserving biodiversity.
- Development that is soundly balanced between new and existing areas.
- Investment in industrial and commercial areas, provide employment, careers and increase economic capacity in the City.



Budget/Financial Implications

N/A

Legal Implications

N/A

Community Consultation

N/A

Attachment(s)

1. Development Application Plans
2. Letter from the Applicant

Advice to Proponent(s)/Submissioners

The applicant has been advised that this matter is to be considered at the 13 June 2013 Council Meeting.

Implications of Section 3.18(3) Local Government Act, 1995

Nil.

15. FINANCE AND CORPORATE SERVICES DIVISION ISSUES

15.1 (MINUTE NO 5066) (OCM 13/06/2013) - LIST OF CREDITORS PAID - APRIL 2013 (076/001) (N MAURICIO) (ATTACH)

RECOMMENDATION

That Council adopt the List of Creditors Paid for April 2013, as attached to the Agenda.

COUNCIL DECISION

MOVED Clr C Reeve-Fowkes SECONDED Clr V Oliver that the recommendation be adopted.

CARRIED 7/0



Background

It is a requirement of the Local Government (Financial Management) Regulations 1996, that a List of Creditors be compiled each month and provided to Council.

Submission

N/A

Report

The List of Accounts for April 2013 is attached to the Agenda for consideration. The list contains details of payments made by the City in relation to goods and services received by the City.

Strategic Plan/Policy Implications

Leading & Listening

- Effective and constructive dialogue with all City stakeholders.
- A responsive, accountable and sustainable organisation.

Budget/Financial Implications

N/A

Legal Implications

N/A

Community Consultation

N/A

Attachment(s)

List of Creditors Paid – April 2013

Advice to Proponent(s)/Submissioners

N/A

Implications of Section 3.18(3) Local Government Act, 1995

Nil.



15.2 (MINUTE NO 5067) (OCM 13/06/2013) - STATEMENT OF FINANCIAL ACTIVITY AND ASSOCIATED REPORTS - APRIL 2013 (071/001) (N MAURICIO) (ATTACH)

RECOMMENDATION

That Council adopt the Statement of Financial Activity and associated reports for April 2013, as attached to the Agenda.

COUNCIL DECISION

MOVED Clr C Reeve-Fowkes SECONDED Clr V Oliver that the recommendation be adopted.

CARRIED 7/0

Background

Regulations 1996 prescribes that a local government is to prepare each month a Statement of Financial Activity.

Regulation 34(2) requires the Statement of Financial Activity to be accompanied by documents containing:-

- (a) details of the composition of the closing net current assets (less restricted and committed assets);
- (b) explanations for each material variance identified between YTD budgets and actuals; and
- (c) any other supporting information considered relevant by the local government.

Regulation 34(4)(a) prescribes that the Statement of Financial Activity and accompanying documents be presented to Council within 2 months after the end of the month to which the statement relates.

The regulations require the information reported in the statement to be shown either by nature and type, statutory program or business unit. The City chooses to report the information according to its organisational business structure, as well as by nature and type.

Financial Management Regulation 34(5) requires Council to annually set a materiality threshold for the purpose of disclosing budget variance



details. To this end, Council has adopted a materiality threshold variance of \$100,000 for the 2012/13 financial year.

Submission

N/A

Report

The City's overall financial performance to the end of April continues to exceed budget, with outperformance of the operating budget by \$6.2M one of the key factors. Significant under spending in the City's capital program has also boosted the net current asset position through extra cash holdings.

Closing Funds

The City's closing municipal position of \$57.0M is \$21.1M higher than the YTD budget target for April. This favourable position comprises numerous factors detailed further throughout this report.

The revised budget for the end of year closing position is currently showing a \$28k surplus, up slightly from \$16k last month.

The closing funds position fluctuates throughout the year, as it gets impacted by various Council decisions and minor system adjustments. Details on the composition of the budgeted closing position are outlined in Note 3 to the financial report.

Operating Revenue

YTD operating revenue of \$110.8M is tracking ahead of budget by \$2.9M. This has narrowed somewhat from last month's variance of \$3.2M. The key contributor to this result continues to be Waste Services, with commercial landfill fees providing \$1.0M in additional revenue.

Other significant areas of outperformance include:

- \$0.5M additional revenue from part year rating and rate interest and penalties.
- \$0.3M extra raised for underground power charges.
- \$0.1M in additional interest earnings due to high cash balance.
- \$0.7M of operating subsidies received ahead of budget in the Human Services business unit.
- Property lease revenue is collectively \$0.1M ahead of YTD budget.



Areas where actual performance is trending behind the budget include:

- \$0.3M of fees and charges in the Human Services business unit (particularly comprising out of school care service fees).
- \$0.1M of administration fees for administering the developer contribution schemes are yet to be internally accounted for.

Further details of material variances are disclosed in the Agenda attachment.

Operating Expenditure

Overall operating expenditure of \$86.2M (including depreciation) is tracking under budget by around \$3.3M (same as last month).

The significant areas contributing to this positive result include:

- Waste collection expenses are \$1.1M below budget primarily due to lower RRRC gate fees incurred to date.
- Environment Services are showing a net underspend of \$0.5M against their YTD budget with \$0.19M underspent for Spearwood Ave offsets and \$0.25M for general reserves maintenance.
- Parks Maintenance costs are \$0.2M under their YTD budget with slight underspending within materials & contracts to date.
- Engineering Services has underspending of \$0.2M comprised mainly of savings of \$0.12M in Roads Design salary costs.
- Community Services is collectively \$0.9M under budget comprising favourable variances in Community Development (\$0.11M), CoSafe (\$0.14M), SLLC (\$0.16M), various recreation projects (\$0.13M) and Council's donation program (\$0.17M).
- There are savings of \$0.25M in salary costs across Human Services due to the closure of the out of school care programs at Atwell and Harvest Lakes.
- Contract spending under Information Services is \$0.16M below YTD budget
- Admin costs for developer contribution schemes are \$0.37M below the YTD budget.
- Health Services are \$0.3M under YTD budget primarily due to non-spending on contaminated sites remediation and clean-up activities.
- Libraries costs are nearly \$0.24M below budget due to YTD savings in salaries and contracts.
- Depreciation is tracking around \$0.37M below budget overall.

Detracting from the overall positive result is additional landfill levy accrued of \$1.8M to cover a potential liability.



The following table shows operating expenditure budgetary performance at a consolidated nature and type level:

Nature or Type Classification	Actual	YTD Amended Budget	Variance to Budget
	\$	\$	%
Employee Costs	\$32.3M	\$32.6M	0.9%
Materials and Contracts	\$25.7M	\$29.3M	12.3%
Utilities	\$3.4M	\$3.6M	5.4%
Insurances	\$1.8M	\$1.9M	2.4%
Other Expenses	\$7.7M	\$6.6M	-18.1%
Depreciation (non cash)	\$15.4M	\$15.7M	2.1%

Other expenses are adversely impacted by the additional accrual of landfill levy as referred to previously.

Capital Expenditure

The City's capital budget has incurred expenditure of \$37.3M versus an YTD budget of \$60.3M. This results in an YTD variance of \$23.0M, up from \$19.8M last month.

This under-spend is spread across the following asset classes:

- Building construction works - \$12.4M
- Roads, footpaths & drainage - \$4.9M
- Plant & machinery - \$1.6M
- Computer infrastructure & software - \$1.4M
- Land development and acquisition - \$1.5M
- Landfill Infrastructure - \$0.3M
- Parks infrastructure development - \$0.8M

The significant spending variances by project are disclosed in the attached CW Variance analysis report.

Capital Funding

Capital funding sources are highly correlated to capital spending and the sale of assets. Given the high underspend within the capital budget, capital funding sources are also showing large variances.

Significant variances include:

- Proceeds from land sales are \$1.6M behind the YTD budget, comprised mainly of subdivision of Lot 702 Bellier Place and Lot 65 Erpingham Road and lots 459 and 485 Bourbon Street.
- Proceeds from plant and vehicle sales are \$0.2M behind the YTD budget.



- Loan funds of \$4.85M for the Emergency Services building project/underground power project are yet to be raised, but has now been scheduled for June.
- Grants and developer contributions towards roads and buildings projects were collectively \$4.0M behind YTD targets. \$1.3M of this variance relates to federal funding for the delayed GP Super Clinic project, and \$1.8M to DCA funding to be used on the Hammond Road (Russell/Bartram) dual carriageway upgrade.
- Transfers to Reserves are \$13.8M behind budget, mainly due to the \$11.9M sale proceeds for Ivankovich Ave (Coles site on Beeliar Drive) not transferred as yet and the unrealised proceeds from sale of Bellier/Erpingham Road development lots.
- Transfers from Reserves are \$15.7M behind budget, consistent with the under spend in the capital budget primarily for the GP Super Clinic/Success Library.

Cash & Investments

Council's cash and current/non-current investment holding dropped to \$108.7M from \$114.0M the previous month. This is still traditionally high and is caused by the delayed spend on capital projects (mainly GP Super Clinic).

\$42.3M represents the balance currently held in the City's cash backed reserves, whilst another \$5.7M represents funds held for other restricted purposes such as bonds, restricted grants and infrastructure contributions. The remaining \$60.7M represents the cash and investment components of the City's working capital, required to fund ongoing operations, the capital program and remaining reserve transfers.

The City's investment portfolio made a weighted annualised return of 4.59% for the month of April. This compares favourably against the adopted BBSW benchmark result of 3.23%.

The majority of investments are held in term deposit (TD) products placed with highly rated APRA (Australian Prudential Regulation Authority) regulated Australian banks. These are predominantly invested for terms ranging between three and twelve months in order to lock in currently high market rates in a falling interest rate environment. Consideration is given to maximising the value offered within the interest yield curve and to mitigating against cash flow liquidity risks. Whilst the Reserve Bank has reduced interest rates over recent times by 125 basis points (1.25%), the current investment strategy has ensured interest earnings are somewhat buffered from a severe and rapid downturn.



Interest earnings are on track to achieve the revised budget target of \$5.5M for 2012/13.

Description of Graphs and Charts

There is a bar graph tracking Business Unit operating expenditure against budget. This provides a very quick view of how the different units are tracking and the comparative size of their budgets.

The Capital Expenditure graph tracks the YTD capital spends against the budget. It also includes an additional trend line for the total of YTD actual expenditure and committed orders. This gives a better indication of how the capital budget is being exhausted, rather than just purely actual cost alone.

A liquidity graph shows the level of Council's net current position (adjusted for restricted assets) and trends this against previous years. This gives a good indication of Council's capacity to meet its financial commitments over the course of the year.

Council's overall cash and investments position is provided in a line graph with a comparison against the YTD budget and the previous year's position at the same time.

Pie charts included show the break-up of actual operating income and expenditure by nature and type and the make-up of Council's current assets and liabilities (comprising the net current position).

Strategic Plan/Policy Implications

Leading & Listening

- A responsive, accountable and sustainable organisation.
- Manage our financial and infrastructure assets to provide a sustainable future.
- A culture of risk management and compliance with relevant legislation, policy and guidelines

Budget/Financial Implications

Material variances identified of a permanent nature (ie. not due to timing issues) may impact on Council's final budget position (depending upon the nature of the item).

Legal Implications

N/A



Community Consultation

N/A

Attachment(s)

Statement of Financial Activity and associated reports – April 2013.

Advice to Proponent(s)/Submissioners

N/A

Implications of Section 3.18(3) Local Government Act, 1995

Nil.

15.3 (MINUTE NO 5068) (OCM 13/06/2013) - PROPOSED MULTI-STOREY CAR PARK AT COCKBURN CENTRAL (052/005) (S DOWNING) (ATTACH)

RECOMMENDATION

That Council not proceed with the construction of a paid multi-storey parking facility at Cockburn Central.

COUNCIL DECISION

MOVED Mayor L Howlett SECONDED Cllr S Portelli that Council:

- (1) the matter be deferred for further consideration until the August 2013 Ordinary Meeting of Council Meeting to enable further investigation into alternative funding sources for the construction of a paid multi-storey parking station at Cockburn Central; and
- (2) investigate potential alternative construction methodologies for the construction of a paid multi-storey parking station at Cockburn Central which may substantially reduce the capital cost of constructing such a facility.

CARRIED 6/1



Reason for Decision

The report has failed to address other possible sources of funding that may be available in the private sector or from individual investors. Further consideration also needs to be given to the daily parking rate given the escalating parking rates in the Perth CBD, increasing journey times on the Kwinana Freeway and the need to change the 'mindset' of those using their car to travel to the Perth CBD. Also to allow alternative construction methods which need to be evaluated and a report be provided to Council.

Background

At the Council Meeting held on 10 May 2012, Council resolved to:

- (1) *formally approach the Western Australian Planning Commission (WAPC) to explore the acquisition of Lot 24 Stockton Bend, Cockburn Central or Lot 23 Tea Tree Bend, Cockburn Central for the purpose of developing a multi-storey car park;*
- (2) *formally approach the WAPC, Public Transport Authority (PTA), the Fire and Emergency Services Authority (FESA), Landcorp, Australand and other parties who may be interested in a joint venture for the construction of a paid multi storey car park at Cockburn Central; and*

allocate \$25,000 in the 2012/13 Municipal Budget to enable a design of a multi storey car park to be completed and costed.

As part of the original subdivisional approval for the creation of Cockburn Central a condition was imposed by the Western Australian Planning Commission (WAPC) requiring that "*an appropriately sized and configured portion of land being set aside within for public car park purposes*".

The intent being that the City would acquire the site from Landcorp and develop a parking station at the City's cost. The site that was originally identified as a potential car parking station was the southern portion of Lot 10, with the northern portion of Lot 10 to be developed by the Department of Housing and Works (DHW). At the time that DHW sought to develop the site the City undertook a feasibility study into the construction of a multi-storey car park on the balance of the site. The study identified that the City would need to charge in excess of \$10/day to cover the City's costs. It was therefore determined that it was not



financially viable for the City to develop a multi-storey car park on that site at that time. The site has subsequently been fully developed by DHW.

The subdivision condition has been subsequently carried through to the current subdivisional approval for Stage II of Cockburn Central however at this time the City has not identified any site that it would be prepared to acquire and develop for car parking.

Submission

N/A

Report

The City in conjunction with Landcorp commissioned Slattery Australia, a firm of Quantity Surveyors and Secure Parking, a firm of car parking consultants with the following brief:

Part A

1. Construction of a 200, 400, 600 or 800 multi-storey parking facility with or without street activation in the form of commercial retail of offices on the ground floor.
2. Examine the cost of having the paid parking station appear as a parking station or as an office building
3. Cost the construction of the above including operating equipment
4. Provide an estimate of the time taken for construction and what may cause delays

Part B

5. Examine the potential fee structures that such a parking station could charge and the potential for achieving such fees including a sensitivity model.
6. Examine the financial viability of construction and operating the facility
7. Examine other paid parking stations along urban rail corridors
8. Examine whether operating the facility should be in-housed or out-sourced
9. Detail what risks the owner/operator of the paid parking facility would encounter with operated risk minimising strategies including growth corridors, other rail stations etc.
10. The report is to draw a conclusion as to whether a land owner would progress with such a paid parking station?

In addition, the City requested information on the following matters:

- The cost per day cost needs to be validated.
- How can the City quantify demand?



- Further financial detail about payback periods, amortising costs, internal rate of returns (after operating costs).
- Reference of construction costs – what is the benchmark?
- Is there any alternative construction techniques to reduce costs?
- Do the consultants have any case studies where such a carpark has worked?

Slattery's (and Secure Parking) have now submitted their report which attached. In summary, the cost of constructing, managing (operating) and demand, which impacts of fees/income is as follows:

Land

The City has reviewed four possible sites for suitability of constructing a paid parking facility in the Cockburn Central precinct. The four sites are:

<u>Location</u>	<u>Size</u>	<u>Ownership</u>	<u>Current Use</u>
Lot 24 Stockton Bend	6,011 square metre	WAPC leased to PTA	Paid parking
Lot 23 Tea Tree Close	7,231 square metre	WAPC leased to PTA	Unpaid parking
Lot 7 Linkage Avenue	4,646 square metre	City of Cockburn	Vacant land (part used by builder for temporary parking)
Lot 10 Stockton Bend	2,154 square metre (area of current parking)	F.E.S.A.	Parking as part of building complex

In discussions with Landcorp, the FESA site was not considered any further for investigation for three reasons:

1. The current portion of the land available for parking at approximately 2154 square metres is too small. For an 800 car bay facility the building would have to be eight to ten storeys.
2. FESA currently do not have sufficient parking on site and would expect part of any new facility to be dedicated to their use.
3. Contribution from FESA for such a facility would be viewed as problematic in the current expenditure constrained environment on the WA Government.

The sites seen as suitable are the two blocks owned by WAPC and leased to the PTA for the purposes of car parking. The current lease for both sites is for 21 years expiring in 2032. The City of Cockburn block could be used as a temporary facility but at 60% to 70% of the size of the other two (WAPC blocks) any parking facility would need to have more parking levels than the WAPC sites due to the smaller nature of the land available.



Construction

The following table is the construction cost with two options. The first option is offer some retail space at the front of the parking facility such as a newsagent or other retail outlet and the second option is the one with the façade similar to City of Perth car parks (making them resemble an office building rather than a standard car park.

Number of Bays	Standard	Standard with Retail	Standard with Office Façade	Standard with Retail/Office
200 Bays	\$2.07m	\$2.95m	n/a	n/a
Cost per Bay	\$10,347	\$14,739	n/a	n/a
400 Bays	\$14.17m	\$15.05m	\$15.66m	\$16.54m
Cost per Bay	\$35,419	\$37,615	\$39,152	\$41,348
600 Bays	\$21.51m	\$22.39m	\$23.97m	\$24.65m
Cost per Bay	\$35,848	\$37,312	\$39,945	\$41,409
800 Bays	\$28.53m	\$29.40m	\$31.95m	\$32.83m
Cost per Bay	\$35,653	\$36,751	\$39,931	\$41,029

The time to construct the facility once all statutory approvals and funding have been put in place would range from 58 weeks for the 400 car bay Standard structure to 75 weeks for the 800 car bay structure with retail and an office façade.

Managing (Operating)

The cost to manage the facility would depend on how secure you wish to have the facility appear. The two options would be:

Option 1 – Automated Car Parks with barrier entries/exits with pay stations

Option 2 – Pay N Display with no barriers to entry or exit but would be enforced with active infringement management.

The cost for Option 1 ranges from \$46,000 to \$281,000 depending on the size of the facility. Option 2 ranges from \$46,000 to \$184,000 depending on size.

Option 1 would need to be externally managed as there would be a need to have reference back to a call centre to deal with broken or non-working barriers. A service contract would be in place for option 2 to service the Pay n Display machines.

Demand

There is significant demand for parking in Cockburn Central which may be reduced when the Atwell Train Station is constructed and opened in 2016/17. This could be compromised by commuters migrating from the Murdoch facility once the impact of the new hospital is opened and potential parking shortages become apparent to commuters. (Shift workers will commence much earlier than commuters, which will find a shortage of parking then they might migrate down the rail line causing the same pressures the Cockburn Central facilities is current encountering.

The attached report has undertaken a series of sensitivity analyses relating to payment for parking and use or demand for a paid parking facility. In summary there is strong resistance to pay more than \$2 to \$5 dollars per day per bay. At this price the revenue generated would be insufficient to either cover the interest on any loan, repay the loan or even provide a return on capital (if the City invested only cash for the full construction cost) compared with interest earned from term deposits. The City's estimate to cover costs as noted below would be \$10 per bay per day.

Rate per day per bay	Occupancy 200 bays	Occupancy 400 bays	Occupancy 600 bays	Occupancy 800 bays	800 bays
\$2	100%	100%	85%	75%	
\$3	100%	90%	65%	55%	
\$4	85%	75%	45%	35%	
\$5	70%	62%	30%	25%	
\$6	60%	45%			

Presently the \$2 Park n Ride facility at Lot 24 Stockton Bend is full at 7.15am. The demand far exceeds supply therefore a flat \$3 fee will see 100% occupancy, but every dollar increase will see resistance and occupancy will fall. Although conversely, income will increase marginally.

It should be noted that paid on-grade parking on the rail line is in place but still the fees charged are still quite low as highlighted by the three examples below:

- Joondalup charges \$3.50 for all day parking
- Stirling claim to introduce a \$5 all day parking fee but has not yet done so.
- Vincent has a \$2.20 per hour fee near train stations, but this not aimed at commuters but rather casual users going into the City.



Will commuters pay more when they logically analyse the cost of driving into the City, (including the fuel cost, wear and tear on the car, time and stress and finally having to pay for parking in the CBD)?

The following table analyses the cost comparison:

	Train	Car
Cost to get to City return each week	\$40	\$60
Council Parking - \$4 per day	\$20	\$70
Total Cost	\$60	\$130
Travel Time (to & from Cockburn) per day	60 min	110 min

Even at \$10 per day, it would be cheaper and more efficient to park and ride at Cockburn Central as the table above demonstrates. The downside is that there would be a resistance from commuters and they would prefer to stay in the queues of traffic.

Financial viability

The Report examines the financial viability of constructing a 400, 600 or 800 car bay facility based on a breakeven basis.

Bays	400	600	800
Cost	\$16.5m	\$24.8m	\$32.8m
Equity	20%	20%	20%
Debt	80%	80%	80%
Annual Operating Costs	\$1.11m	\$1.63m	\$2.14m
Cost PA to breakeven per bay	\$2,779	\$2,730	\$2,686
Occupancy	100%	100%	100%
Income per day per bay	\$11.53	\$11.33	\$11.14
Occupancy	80%	80%	80%
Income per day per bay	\$14.42	\$14.16	\$13.93
Occupancy	60%	60%	60%
Income per day per bay	19.22	\$18.88	\$18.57

The Report indicates significant resistance (through lack of occupancy) at \$5 per day per bay let alone \$10 or \$11 per day per day. Although the above only reflects the commuter parking income, the evening or night parking income would be minimal at best and would not bridge the gap between \$5 and the above rates.

The above is not reflective of the land value and as such assumes a peppercorn rental from the WAPC to undertake this public purpose.

Discussions with Landcorp have been very productive and they are very supportive of the above and any approach to the PTA to facilitate

the construction of the above. The PTA have been engaged in a discussion about the above project and although are supportive, they do not see it as a current priority given the substantial infrastructure program on their agenda at present including the construction of the Atwell rail station. The WAPC like the PTA are very supportive.

Conclusion

The financial gap to breakeven on the paid parking facility is significant and not within the City's current finances to bridge but over time this could be reduced as other multi storey parking stations are constructed on the rail line and price for parking at them increases to reflect economic reality. At present, the State Government is not in a position to assist the City due to financial constraints and sizeable existing public transport infrastructure commitments. The City should keep a watching brief on the matter and re-examine such a proposal in two years time.

Strategic Plan/Policy Implications

Growing City

- Development that is soundly balanced between new and existing areas.

Infrastructure

- Community facilities that meet the diverse needs of the community now and into the future.

Leading & Listening

- Manage our financial and infrastructure assets to provide a sustainable future.

A Prosperous City

- Investment in the local economy to achieve a broad base of services and activities.

Budget/Financial Implications

N/A

Legal Implications

N/A

Community Consultation

N/A



Attachment(s)

Copy of the Slattery Australia Pty Ltd report into a paid parking station at Cockburn Central.

Advice to Proponent(s)/Submissioners

N/A

Implications of Section 3.18(3) Local Government Act, 1995

Nil.

15.4 (MINUTE NO 5069) (OCM 13/06/2013) - ADOPTION OF DIFFERENTIAL RATES AND MUNICIPAL BUDGET 2013/14 AND SCHEDULE OF FEES AND CHARGES (075/011; 097/009) (S DOWNING/N MAURICIO) (ATTACH)

RECOMMENDATION

That Council

(1) Part A – Municipal Fund Budget 2013/14

Pursuant to the provisions of section 6.2 of the Local Government Act 1995 and Part 3 of the Local Government (Financial Management) Regulations 1996, the Municipal Fund Budget as attached to the Agenda and the Minutes, for the City of Cockburn for the 2012/13 financial year which includes the following:

- Statement of Comprehensive Income by Nature and Type showing a net result for that year of \$19,842,561.
- Statement of Comprehensive Income by Program showing a net result for that year of \$19,842,561.
- Statement of Cash Flows
- Rate Setting Statement showing an amount required to be raised from rates of \$57,916,814.
- Notes to and Forming Part of the Budget
- Budget Program Schedules

(2) Part B – General and Minimum Rates, Instalment Payment Arrangements

1. For the purpose of yielding the deficiency disclosed by the Municipal Fund Budget adopted at Part A above, Council pursuant to sections 6.32, 6.33, 6.34 and 6.35 of the Local Government Act 1995 impose the following differential general and minimum rates on Gross Rental



and Unimproved Values.

General Rates

• Commercial Caravan Park	9.305¢ in the dollar
• Improved Commercial & Industrial	7.667¢ in the dollar
• Improved Commercial & Industrial (Large)	8.755¢ in the dollar
• Improved Residential	5.089¢ in the dollar
• Rural Vacant Land	0.374¢ in the dollar
• Rural General, Commercial & Industrial	0.242¢ in the dollar
• Rural General & Rural General UFL	0.242¢ in the dollar
• Specified Area Port Coogee	1.642¢ in the dollar
• Special Industrial – Cement Works dollar	10.129¢ in the dollar
• Vacant Commercial & Industrial dollar	10.129¢ in the dollar
• Vacant Residential dollar	10.129¢ in the dollar

Minimum Rates

• Commercial Caravan Park	\$657
• Improved Commercial & Industrial	\$657
• Improved Commercial & Industrial (Large)	\$657
• Improved Residential	\$657
• Rural Vacant Land	\$990
• Rural General Commercial & Industrial	\$990
• Rural General & Rural General UFL	\$990
• Specified Area Port Coogee	N/A
• Special Industrial – Cement Works	\$657
• Vacant Commercial & Industrial	\$657
• Vacant Residential	\$657

2. Pursuant to section 6.45 of the Local Government Act 1995 and regulation 64(2) of the Local Government (Financial Management) Regulations 1996, the following due dates for the payment in full by instalments:

• Full payment and 1 st instalment due date	3 September 2013
• 2 nd instalment due date	5 November 2013
• 3rd quarterly instalment due date	7 January 2014
• 4th and final instalment due date	4 March 2014

3. Pursuant to section 6.45 of the Local Government Act 1995 and regulation 67 of the Local Government (Financial Management) Regulations 1996, impose an instalment administration charge where the owner has elected to pay rates (and service charges) through an instalment option of \$5 for each instalment after the initial instalment is paid.

4. Pursuant to section 6.51(1) and subject to section 6.45(4)(e) of the Local Government Act 1995 and Regulation 68 of the Local Government (Financial



Management) Regulations 1996, impose an interest rate of 4% for rates (and service charges) and costs of proceedings to recover such charges that remains unpaid after becoming due and payable.

5. Pursuant to section 6.51(1) and subject to section 6.51(4) of the Local Government Act 1995 and Regulation 70 of the Local Government (Financial Management) Regulations 1996, impose an interest rate of 8% for rates (and service charges) and costs of proceedings to recover such charges that remains unpaid after becoming due and payable.

(3) Part C – Use of money in a Reserve for another purpose

Pursuant to section 6.11 of the Local Government Act 1995, use \$290,000 of funds surplus to requirements sitting within the Municipal Elections Reserve for the purpose of part-funding the triennial GRV property valuations.

(4) Part D – Fees and Charges for 2013/14

Pursuant to section 6.16 of the Local Government Act 1995, the Fees and Charges to be included inclusive of the draft 2013/14 budget as attached to the Agenda and Minutes.

(5) Part E – Statutory and Other Fees for 2013/14

1. Pursuant to section 245A(8) of the Local Government (Miscellaneous Provisions) Act 1960 impose a swimming pool inspection fee of \$30.60 inclusive of GST.
2. Pursuant to section 67 of the Waste Avoidance and Resources Recovery Act 2007, impose the following charges for the removal and deposit of domestic waste:
 - (a) Residential Premises (including recycling)
 - 240ltr bin per weekly collection (householders) - \$408 p.a.
 - 240ltr bin per weekly collection (rate exempt properties) - \$450 p.a.
3. Pursuant to section 6.38(1) of the Local Government Act and Regulation 54(d) of the Local Government (Financial Management) Regulations 1996 impose a service charge of \$60 per rateable property for the provision of a property surveillance and security service.



4. Pursuant to section 6.38(1) of the Local Government Act and Regulations 54(c) of the Local Government (Financial Management Regulations 1996) impose the following service charges for the provision of underground electricity:

- (a) Rateable property/dwelling \$3,050, with the following discounts:
- \$500 where a property already has a connection between the property boundary and the meter box.
 - A 50% rebate for registered pensioners as provided by the State Revenue Department.
 - A \$257.45 or equivalent rebate for registered Seniors as provided by State Revenue Department.
 - A 50% discount where properties have HV power lines in front of their property remaining after the completion of work for underground electricity.
 - The service charge applicable for non-standard commercial properties to be provided by Western Power.

TO BE CARRIED BY AN ABSOLUTE MAJORITY OF COUNCIL

COUNCIL DECISION

MOVED Mayor L Howlett SECONDED Cllr C Reeve-Fowkes that the recommendation be adopted subject to the following amendments:

- (1) Part A – Municipal Fund Budget 2013/14

Pursuant to the provisions of section 6.2 of the Local Government Act 1995 and Part 3 of the Local Government (Financial Management) Regulations 1996, the Municipal Fund Budget as attached to the Agenda and the Minutes, for the City of Cockburn for the 2013/14 financial year which includes the following:

- Statement of Comprehensive Income by Nature and Type showing a net result for that year of \$19,842,561.
- Statement of Comprehensive Income by Program showing a net result for that year of \$19,842,561.
- Statement of Cash Flows.
- Rate Setting Statement showing an amount required to be



- raised from rates of \$57,916,814.
- Notes to and Forming Part of the Budget.
- Budget Program Schedules.

Amend the Rate Setting Statement and the Budget Program Schedules (Capital Expenditure) by the inclusion of the provision of bollards or other such measures on Dixon Reserve, Hamilton Hill at a cost of \$60,000, with funds to be provided from the Community Infrastructure Reserve. The amount to be raised by Rates remains unchanged.

(2) to (5) remain unchanged

MOTION LOST DUE TO LACK OF AN ABSOLUTE MAJORITY OF COUNCIL 5/2

MOVED Clr B Houwen SECONDED Clr Y MUBARAKAI that the recommendation be adopted.

MOTION LOST DUE TO LACK OF AN ABSOLUTE MAJORITY OF COUNCIL 4/3

MOVED Clr C Reeve-Fowkes SECONDED Clr S Portelli that the recommendation be adopted subject to the following amendments:

(1) Part A – Municipal Fund Budget 2013/14

Pursuant to the provisions of section 6.2 of the Local Government Act 1995 and Part 3 of the Local Government (Financial Management) Regulations 1996, the Municipal Fund Budget as attached to the Agenda and the Minutes, for the City of Cockburn for the 2013/14 financial year which includes the following:

- Statement of Comprehensive Income by Nature and Type showing a net result for that year of \$19,842,561.
- Statement of Comprehensive Income by Program showing a net result for that year of \$19,842,561.
- Statement of Cash Flows.
- Rate Setting Statement showing an amount required to be raised from rates of \$57,916,814.
- Notes to and Forming Part of the Budget.
- Budget Program Schedules.

Amend the Rate Setting Statement and the Budget Program Schedules (Capital Expenditure) by the inclusion of the



provision of bollards or other such measures on Dixon Reserve, Hamilton Hill up to \$50,000, with funds to be provided from the Community Infrastructure Reserve. The amount to be raised by Rates remains unchanged.

(2) to (5) remain unchanged.

CARRIED BY AN ABSOLUTE MAJORITY OF COUNCIL 7/0

DURING DISCUSSION OF THE ITEM DEPUTY MAYOR ALLEN LEFT THE MEETING THE TIME BEING 8.26 PM AND RETURNED AT 8.28 PM

Reason for Decision

Ongoing complaints are being received from the community about the conflict between users of Dixon Reserve and motor vehicles and the concerns of the community need to be acknowledged. The unlawful use of the reserve by motor vehicle drivers needs to be prevented. The use of a 'barrier' will ensure that motor vehicles cannot be driven onto the reserve.

It is very clear there is an issue of safety and Council should not be in a situation where fears and concerns which have been raised by residents and brought to the City's attention be ignored and not acted on. Council needs to make sure that this issue is addressed on Dixon Reserve.

Background

Council is required to adopt an Annual Budget by 31 August each year. To this end the City adopts its budget in June of each year.

Submission

N/A



Report

Municipal Budget 2013/14

Each financial year the City is required to adopt a municipal budget in accordance with Section 6.2 of the Local Government Act 1995 and the associated regulations.

Highlights of the 2013/14 - Municipal Budget:

- Rates increase for all properties of 4.75%
- Slower building of domestic housing less 1%, higher activity in commercial sector
- Waste Management service charge increase of 4.75% from \$390 to \$408 – continuing weekly recycling, tip passes and four verge collections (two general waste and two greenwaste)
- Co-Safe service charge increase from \$55 to \$60, of which part will fund the increase cost of the Co-Safe service and in part to continue the rollout of the CCTV construction implementation strategy
- Presentation of a balanced municipal budget
- Increase revenue of 6%
- Operating cost increase of only 2.45% over prior 2012/13 budget
- Salaries budget to increase by 4.8% being an enterprise agreement increase and for new staff
- \$47.6m to be spent on community assets which include roads, drainage and community infrastructure
- Planning continues for Cockburn Central West (with CoC applying for a \$15m Regional Development Australia/Federal Government funds with the CoC co-authoring and supporting an application to the State Government on behalf of the Fremantle Football Club)
- An Integrated Road Network for the whole of the municipality
- Major Road projects, completion of the Beelihar Drive/Hammond Rd Intersection (including traffic signals), duplicating of North Lake Road from Hammond Road to Kentucky Road, construction of Frankland Ave from Roper Ave to Gaebler Road and a \$0.8 resurfacing program.
- Completion of the new Success Library & GP Super Clinic and Integrated Health Facility.
- Continuing funding for Bibra Lake Management Plan and Environmental Works in Wetlands including planning and consultation for the construction of an Adventure Playground.
- Continuation of the UGP projects in Coolbellup and Hamilton Hill
- Repayments to commence of the UGP loan of \$3.85m (5 Years from UGP levy and m/fund 20%) to be repaid over three years plus the loan for ESL Facility (10 Years Repaid by FESA)
- Grants & Donations budget of \$1.00m
- Funds for Summer of Events of \$0.56m



- Capital works being planned for Naval Base Shacks and Coogee Beach Caravan Park
- Parks construction program covering new parks development plus a range of other projects covering greening plans, shade sail implementation and playground renewals

Income

The 2013/14 operating income for the City will be \$123m an increase of 6.5% on the 2012/13 Budget. The sources of income are displayed in the chart below. The two main sources of income for the Council are Rates 47.3% and Fees and Charges 40.8% of the operating income respectively.

All Figures in \$M	2012/13 Revised Budget	2013/14 Budget	Increase 13/14 Budget on 12/13 Budget	% of Overall Income of 13/14 Budget
Rates	\$53.97	\$57.92	7.37%	47.3%
Fees & Charges	\$48.09	\$50.21	4.41%	40.8%
Operating Grants	\$7.06	\$9.05	28.19%	7.4%
Contributions	\$0.65	\$0.47	27.70%	0.4%
Interest Income	\$5.53	\$4.99	-9.77%	4.1%
Other	\$0.02	\$0.01	-33.30%	0.0%
Total Revenue	\$115.31	\$122.65	6.37%	100.0%

Rates

Rates for 2013/14 are recommended to increase by 4.75% for classes of properties in the City of Cockburn.

Rates levied on ratepayers form a significant portion of the City's operating income. This year, that portion accounts for 47.3%. Over the last ten years this dependence on rates has fallen from 49.2% to the current 47.3%. What is more important, the dependence the City has on individual households has fallen from 67% in 2002/03 to 58% in 2013/14 as rate income from commercial and industrial properties has risen significantly. This increase has been directed to the cost of building and maintaining an extensive road and drainage infrastructure network the City owns and which is currently valued at \$471m in the balance sheet of the City.

Even after the rate increase Cockburn home owners paid the lowest household rates including waste management in 2012/13. The Table below from 2012/13 supports the supposition that Cockburn ratepayers still pay low rates when compared with neighbouring Councils:



Council	Residential Average Rates	Minimum Rates Payment	Average Plus Waste Charge	Minimum Payment Plus Waste Charge
Cockburn	\$842	\$627	\$1,232	\$1,017
Melville	\$1,000	\$658	\$1,379	\$1,037
Fremantle	\$1,943	\$1,050	\$1,943	\$1,050
Kwinana	\$1,103	\$841	\$1,403	\$1,141
Rockingham	\$924	\$799	\$1,263	\$1,138
Gosnells	\$1,097	\$814	\$1,338	\$1,055
E. Fremantle	\$1,520	\$795	\$1,520	\$795
Stirling	\$1,100	\$737	\$1,378	\$1,015
Swan	\$1,111	\$765	\$1,421	\$1,075

NB: Note that a number of Councils have not been included as they do not publically disclose residential rating information for example the Canning and Armadale.

The above Councils were chosen firstly as they are in the same local grouping, that is the South West Group and secondly to compare with other outer metro growth Councils such as Swan, Stirling and Gosnells.

The advertising of the table of differential rates in May 2013 is the same as tabled in this recommendation of this report apart from the differential rate for Special Industrial – Cement Works. The rate for this has been lowered from the advertised rate of 12.231 cent to 10.129 cents (reduced yield of \$91,100). The reason for this is the significant investment in equipment that has mitigated the cost of managing the levels of complaints arriving at Council.

Overall growth of new properties/improvement to existing properties/vacant land has been budgeted at 2.5%. This may be conservative given the history of growth in the City, but development has slowed in the creation of new residential lots and building licences issued. This has been slightly offset by commercial development occurring throughout the City but more specifically in the Phoenix and Cockburn Commercial Parks, Jandakot City and the AMC precinct.

Avg House	2012/13 \$	2013/14 \$	% Increase
Rates	849	889	4.75%
Waste	390	408	4.75%
Co-Safe	55	60	9.0%
Council Charges	1,294	1,357	4.9%
			+\$1.22 per week
State Government ESL	238	256	7.8%
Total	1,532	1,613	5.3%
Min Payment			
Rates	627	657	4.75%
Waste	390	408	4.75%
Co-Safe	55	60	9.0%

Avg House	2012/13 \$	2013/14 \$	% Increase
Council Charges	1,072	1,125	4.9%
			+\$1.02 per week
State Government ESL	198	213	7.8%
Total	1,270	1,338	5.4%

Waste Management Service Charge

The service charge will increase from \$390 to \$408 per rates assessment. The City will continue to offer weekly waste and recycling collection, 2 junk and 2 green waste collections each year plus 6 free tip passes to City's Henderson Waste Recovery Park. The waste management service is self-balancing and not requiring a contribution from the municipal fund.

Community Surveillance and Security Service (Co-Safe)

The service charge will increase from \$55 to \$60. Revenue raised by this service charge will fund the Co-Safe service and initiate the first trial of CCTV in the City (along the Cockburn Coast centred on Coogee Beach and Coogee Beach Surf Club and Community Facilities).

Pool Inspection Fee

The fee will remain at \$30.60 per property with a swimming pool. This is in order to ensure that City will be able to inspect every swimming pool in the municipality once every four years to comply with the relevant statutory requirement.

Port Coogee Specified Area Rate

This rate will be 1.642 cents in the dollar of GRV value. These monies are being quarantined so as to provide funding to ensure that the parks and public areas (including custom street lighting) are maintained in accordance with the higher standards agreed to between the City and the Developer. The additional costs being borne by the developer initially and the landowners ultimately.

The City will continue taking over public open space in the Port Coogee area in 2013/14 which will trigger the City drawing on funds in the Reserve to supplement the additional maintenance work noted above.

Emergency Services Levy

Although not imposed by the City, the levy is collected by the City under direct instruction from the State Government and passed onto the Fire and Emergency Services Authority. The increase for the City



of Cockburn ratepayers is 7.8%, the highest of the published State Government charges for their 2013/14 Budget.

Fees and Charges

The City has budgeted to receive \$50.2m in Fees and Charges in 2013/14. Although this category of income covers all services provided by City, there are four fee types that combine to make up \$41.3m or 82% of the total fees and charges. The fees consist of Waste Management Service Charge (for collection of bins), fees (tipping, sale of recycled metals and materials and sale of gas) related to the Henderson Waste and Recovery Park, fees associated with the South Lake Leisure Centre and finally, the Community Surveillance Service Charge.

The Gate Fee for the Henderson Landfill facility will rise by 3.7%. At this stage the City is not expecting an increase in the Landfill Levy, which is imposed by the Department of Environment and Conservation (DEC) on behalf of the State Government. This course of action is based on advice from the Minister of the Environment as a pre-election commitment.

Fees for the South Lake Leisure Centre will rise by 6% in order to cover the increased cost of labour and other costs. The increase is also a response to a recommendation of the Cockburn Central West Business Plan so as to reflect small increases over time rather than a major increase at the opening of the CCW facility in 2016.

The final substantial fee income is the Community Surveillance Service Charge which is raised to fund the Co-Safe service. This Service Charge is to rise from \$55 to \$60 in 2013/14 in accordance with the Council adopted strategy for Co-safe as well as for the implementation of CCTV. Last year the project was to cover Coogee Beach, in this year's budget, the City will aim to complete the Coogee Beach Surf Club and Community Facility plus the main administration centre which includes the Spearwood Library and Cockburn Seniors Centre.

All other fees will rise in a range from CPI to 5% in order to cover the cost of the service/s provided by the City. Statutory Planning fees has increased on average by around 6%, whilst there has been no increase to fees for Building Services; both of these are State Government regulated fees.

Operating Grants and Subsidies

This income source is provided by the State and Federal Governments. The income is generally recurrent and rises by CPI or a similar agreed factor. Apart from the untied Federal Assistance Grant noted below,



the other grants have been provided by the State and Federal Governments for the delivery of specific community programs.

Grant	Amount
Child Care and Children (Fed Govt)	\$1.98m
Financial Assistance (Untied from Fed Govt)	\$1.94m
Financial Assistance (Roads from Fed Govt)	\$1.38m
Aged Services - HACC and HACP	\$1.96m
Youth Services	\$0.34m
Family Services	\$0.55m
FESA Operational Grant	\$0.21m
Recreation Services	\$0.15m

Interest Income

Income generated by this item is divided into three parts, municipal fund interest, reserves account interest and sundry interest income derived from instalment rates and outstanding rates. The former, (\$2.4m) can be expended directly in the provision of services whereas the latter (\$2.0m) is credited to the reserve account on which the capital has been invested by the Council. Although the cash rate has fallen to 2.75%, it is expected that the Cash Rate could fall to 2% by June 2014. This would cost the Budget up to \$0.7m. The City is still attracting interest rates of 4.2% on term deposits.

The City is compliant with the latest amendment to the Local Government (Financial Management) Regulations in that all funds are invested in Term Deposits held with Australian Banks or Australian Government Bonds apart from three investments grandfathered under the same regulations. One is a senior bond issued by the Commonwealth Bank and the third is an investment in Australian Mortgage Fund in "reverse" mortgages. Each investment continues to pay a competitive rate of interest and will be redeemed upon maturity.

Expenditure

Budgeted growth of operating expenditure for 2013/14 is the lowest for the last five years at 2.45% as all areas of Council expenditure have been reviewed for operating efficiencies. The following comparative table indicates the growth of operating expenditure over the financial years 2012/13 and 2013/14.



All figures \$M	2012/13 Revised Budget	2013/14 Budget	Increase 13/14 Budget on 12/13 Budget	% of Overall Cost of 13/14 Budget
Payroll	\$38.36	\$40.78	6.30%	36.8%
Other employee Costs	\$0.90	\$0.93	3.30%	0.8%
Materials	\$35.03	\$33.54	-3.10%	31.0%
Utilities	\$4.36	\$4.32	-0.90%	3.9%
interest Expense	-	\$0.17	0.00%	0.2%
Insurance	\$1.87	\$2.01	7.40%	1.8%
Other Expenses	\$8.46	\$8.69	1.10%	7.9%
Depreciation	\$21.08	\$22.21	5.30%	20.3%
Internal Recharging	-\$3.12	-\$3.08	-2.10%	-2.8%
Total Expenditure	\$106.93	\$109.55	2.45%	100.0%

The above table also demonstrates where the City is spending its operating expenditure with a detailed explanation below.

Payroll

The City has budgeted for a 4.25% increase for the first year of a new enterprise agreement. The overall cost of salaries, on-costs and indirect costs will rise by 6.3% over the amount budgeted in 2012/13. This will also provide for a number of new staff, in line with Council's adopted Workforce Development Plan, the most prominent of these are the new library staff for the currently being constructed Success Library. The new library is three times the size of the current library located in the Cockburn Gateway Shopping Centre.

The percentage of rates required to fund payroll has fallen from 71% to 70%%, which is the lowest in the South West Group of Councils or from 34% to 33% of overall operating income again the lowest in the SWG Group.

	2013/14 Cockburn	2012/13 Cockburn	2012/13 Melville	2012/13 Fremantle	2012/13 Kwinana	2012/13 Rockingham
Rates \$m	\$57.9m	\$53.9m	\$52.5m	\$34.1m	\$26.2m	\$52.3m
Total Revenue \$m	\$123.0m	\$115.3m	\$99.1m	\$65.7m	\$46.1m	\$109.1m
Total Payroll \$m	\$40.78m	\$38.3m	\$33.2m	\$31.7m	\$19.5m	\$36.8m

	2013/14 Cockburn	2012/13 Cockburn	2012/13 Melville	2012/13 Fremantle	2012/13 Kwinana	2012/13 Rockingham
%Pay to Total Rates Ratio	70%	71%	73%	93%	74%	70%
%Pay to Revenue Ratio	33%	34%	39%	38%	42%	36%

Materials and Contract

The decrease in 2013/14 over 2012/13 for this expenditure item is - 4.2%. Aside from Payroll and related costs this is the City's largest recurrent operating expenditure item. The following items form over 50% of the expenditure for 2013/14 with the amount in brackets being the amount budgeted in 2012/13. Waste Collection \$7.43m (\$6.95m), SMRC Loan Repayment \$1.5m (\$1.4m), Parks Operating \$2.79m (\$3.03m), Care Giver Payments 1.22m (\$1.22m), Co-Safe \$1.91m (\$1.83m).

Insurance

The City like all local governments in WA is a member of the Local Government Insurance Scheme (LGIS) – a cooperative insurance scheme. So for Workers Compensation insurance, property and public liability insurance, Council self-insures through the LGIS. Insurance for motor vehicles, councillor and officer liability (similar to Directors and Officers Liability insurance), travel insurance plus others insurances are sourced by the LGIS from external insurance providers. Motor vehicle insurance is of a significant quantum that LGIS tenders this to the general MV Insurance market each year to ensure Council receives a competitive pricing outcome.

Overall, insurance premiums are expected to rise by 7.4% from \$1.87m to \$2.01m in 2013/14. Workers Compensation Insurance will increase by the increase in overall council payroll, Public Liability Insurance will increase by 7% and Property insurance will increase by 10% due to more municipal assets either being constructed or gifted to the City. In addition, the City has an active program of regular revaluation of assets so as to ensure Council is not under-insured. Further, the accounting standard changes associated with "Fair Value" accounting will mean a more aggressive asset valuation model in future years. The City already currently uses fair value accounting for all infrastructure asset classes. For the 2013/14 financial year, the City will also have fair value accounting for Plant and Equipment and associated equipment.



Utilities

This item covers expenditures for electricity, gas, water and telecommunications. Electricity is consumed by the City in two ways. Firstly, general power consumption for buildings and associated facilities.

The second part of electricity consumption is for street lighting. The City pays for 11,390 street lights, which over the last four years, has seen the running costs raised from \$1m to \$2.4m annually. The City has received no compensation for the impact of the carbon tax from the Federal Government. The budget has an increase of 5% as indicated by the State Government in pre-election commitments.

The impact of the rapidly rising cost of utilities imposed on the City by the State Government has been sizeable and is not sustainable.

Other utilities are expected to increase by 5% apart from telecoms which has no increase.

Other Expenses

This item of expenditure covers a range of sundry expenses such as the State Government's Landfill Levy (\$5.1m), Fuel (1.1m), grants and donations of \$1.0m, operating contribution to the SMRC of \$0.26m and levy payments to parents of \$0.5m (fully funded from the Federal Government).

Depreciation

The City cash backs its \$22.21m of depreciation recorded in the 2013/14 operating budget. This amount is 5% higher than the amount budgeted for in 2012/13. By being fiscally responsible and cash backing the depreciation, the City is able to use the free cash generated by this item to refurbish current assets in addition to construct new assets. Council has been briefed on a plan to spend up to 80% of the cash produced from depreciation to refurbish assets. This plan will take five to seven years to move from the current 40% of depreciation cash expended on the capital refurbishment program. This plan has been designed so as to provide a greater life for existing City assets.

Interest Expense

The City will be required to pay interest in 2013/14 for two loans covering Underground Power projects in Coolbellup and Hamilton plus the Emergency Services Facility in Cockburn Central. The former loan will be covered by ratepayer service charges and a contribution from



the municipal fund. The latter loan will be funded by FESA. The total cost for this year is \$0.17m

Capital Income and Developer Contributions

The City has budgeted to receive the following Capital Grants and Developer Contributions for 2013/14.

Road Grants	\$1.6m
Recreation and Bike paths	\$0.2m
Other capital grants	\$0.3m
Total Grants	\$2.1m
Developer Contributions	\$3.5m
Total Gr and Contributions	\$5.6m

The City is also expected to receive the proceeds from land and plant & equipment asset sales. Cash received from motor vehicle and truck/plant (\$0.91m) will go to the replacement of those pieces of equipment. Cash from land sales (\$5.1m) will go to the Land Development Reserve except where funds are need to be allocated to POS fund as part of the land sale process.

Capital Expenditure

The following chart indicates where the City will commit its capital expenditure totalling \$47.6m for 2013/14:

<u>Class</u>	<u>2013/14</u>	<u>2012/13</u>
Road Infrastructure	\$8.8m	\$11.89m
Drainage	\$1.00m	\$1.73m
Footpaths	\$1.42m	\$1.87m
Parks (Hard) Infrastructure	\$4.33m	\$3.84m
Parks (Soft) Infrastructure	\$0.76m	\$1.43m
Landfill	\$1.31m	\$3.28m
Freehold Land Development	\$0.40m	\$2.26m
Buildings	\$25.11m	\$41.56m
Furniture & Fittings	\$0.02m	\$0.01m
Information Technology	\$0.54m	\$2.98m
Plant & Machinery	\$3.90m	\$5.54m
Total	\$47.63m	\$76.44m

The City has a number of high profile continuing projects which will be completed in 2013/14.

The Continuing Projects are as follows:

Continuing Projects for 2013/14	Allocated Funds
Success Library, GP Super Clinic and Integrated Health Facility	\$22.5m
Bibra Lake Management Plan	\$1.8m



New Projects

Below is a shortened list of new projects and the capital allocated to them: For a comprehensive list of projects please refer to the attached budget – New Capital Projects 2013/14.

New Capital Projects for 2013/14	Allocated Funds
Road – Intersection of Beeliar Drive and Hammond Road Stage 2	\$1.77m
Road – Franklin Ave Construction between Roper and Gaebler	\$1.00m
Road – Duplication of North Lake Road from Hammond Road to Kentucky Road	\$4.10m
Parks – New and upgrades	\$3.3m
Operations Depot Upgrade (funding earmarked)	\$3.0m
Plant and Equipment – Replacement	\$3.79m
Plant and Equipment – New	\$0.10m
Land Development (new lot creation)	\$0.4m
Drainage Works	\$1.00m
Resurfacing of Roads	\$0.77m
Footpath (new and rehabilitation)	\$1.42m

Capital expenditure brought forward from 2012/13 to 2013/14 will be presented with their carried forward related budgets to the October 2013 Ordinary Council Meeting. As spending is continuing on these projects the exact amount to be carried forward is still to be finalised at the time of the budget.

Borrowings

The City is not scheduled to borrow funds in 2013/14 but will commence repaying the principal for the two loans initiated in 2012/13. Total repayments will be \$1.3m.

Reserves

The City has a pro-active Ten Year Financial Plan which includes funding its financial reserves. The City places great importance in planning for the future and ensuring it has sufficient funds to complete major projects now and into the future. In this budget, Council will transfer \$33.2m into its reserves but will draw down \$36.3m to fund a series of major capital projects, such as the Success Library/GP Super Clinic and Integrated Health Facility.

At the same time the City is still quarantining funds received from the Development Contribution Plan (a levy on all new dwelling for



community infrastructure), rent from the Naval Base Shacks Leases and Coogee Beach Caravan Park (to fund capital works). It is anticipated that the City will receive \$1.8m in 2012/13 from developer contributions for community infrastructure in addition to funds for roads and other “hard” infrastructure.

Transfer To Reserves	Amount	Transfers From Reserves	Amount
Waste & Recycling	\$7.98m	Land Development & Investment Fund	\$10.82m
Plant & Vehicle Replacement	\$3.35m	Community Infrastructure	\$12.72m
Community Infrastructure	\$3.82m	Cockburn Super Clinic Reserve	\$0.30m
Community Infrastructure Development Contribution	\$2.00m	Roads & Drainage Infrastructure	\$2.64m
Major Buildings Refurbishment	\$1.50m	Plant & Vehicle Replacement	\$2.81m
Underground Power (Coolbellup East) SAR	\$1.20m	Waste & Recycling	\$2.34m
Contaminated Sites	\$0.50m	Underground Power (Coolbellup East) SAR	\$2.28m
Land Development & Investment Fund	\$5.10m	Contaminated Sites	\$0.20m
Roads & Drainage Infrastructure	\$1.25m	Green House Emission Reduction	\$0.50m
		Municipal Elections	\$0.49m
Total - Major Transfers Highlighted above	\$26.70m	Total – Major Transfers Highlighted above	\$35.1m
% of the overall total	80.3%	% of the overall total	96.7%
Total Transfers to Reserve	\$33.22m	Total Transfers From Reserve	\$36.3m

In addition to the list above transferring funds to Reserve of \$26.7m, the balance of the funds to reserves consist of amounts less than \$0.5m and include DCA 12 Packham North \$0.5m, contaminated sites \$0.5m, Hammond Park DCA \$0.4m, waste collection \$0.33m, Solomon Rd DCA \$0.25m, Port Coogee Special Maintenance \$0.23m, Greenhouse Reduction \$0.2m, Naval Base Shacks \$0.19m, Staff Entitlements reserve, \$0.1m, Naval Base shacks removal \$0.05m.

The 2013/14 budget includes a change of use for funds identified as surplus to requirements within the Municipal Elections Reserve. It is proposed that \$290,000 be used to partly fund the triennial GRV property valuations. Landgate has recently advised the City that its share of the cost is estimated at \$410,000.

Future Proofing the City - Development of future Income Streams

The City is seeking to future proof income streams so as not to be so reliant on rates as the only source of funds. By monetising non-



productive land assets and investing those funds into new sources of recurrent revenue, the City over time will earn substantial income.

Rate Setting Statement

The Rate Setting Statement is a unique financial statement applicable to WA Local Governments. The purpose of the statement is to determine the amount of rates to be collected from property owners after the inclusion of operating income (excluding rates), Operating expenditure, capital income and expenditure, reserve transfers (to and from reserves) plus loan repayments and new borrowings. The deficit after inclusion of the above is to be raised from rates as provided for in the Local Government Act. The rates to be raised in 2013/14 total \$57.9m. Rates only include general rates and not service charges, specified area rates, interest from instalments and penalty interest or instalment fees.

Cashflow Statement

The Cashflow Statement is presented with other statutory financial statements. It presents the cash the Council will generate and use in running its day to day business, capital investment program – both capital income and expenditure as well as funds required to finance both the operating and investment (capital) program:

1. Net Operating Cash is \$34.3m
2. Net Investment Cash is \$36.0m
3. Net Financing Cash is \$1.3m
4. Overall Cashflow is \$3.0m

The City will commence the year with \$68.5m cash held in Reserves/Restricted Funds and after Items 1 to 4 above will mean a closing cash position of \$65.5.

Integrated Planning Framework

Council adopted a number of plans in 2013 as part of the Strategic Community Plan. These include the Long Term Financial Plan, the Asset Management Plan and the Workforce Plan. Another plan will be presented in June 2013 which is the Integrated Road Network Plan. Each plan covers a ten year period being 2012/13 to 2021/22. Each Plan will be updated each financial year. For the purposes of the Budget the following comments are made in relation to the Plans noted below and their impact and/or inclusion in the 2013/14 Budget.



Long Term Financial Plan

Council adopted a Long Term Financial Plan for the period 2012/13 to 2021/22, a period of ten years. The LTFP will be reviewed and amended each financial year in line with the adopted budget so as to ensure financial relevance. Based on the draft budget contained the attached papers the LTFP and analysis is provided below of the variations to the LTFP:

	2013/14 LTFP	2013/14 Draft Municipal Budget	Comment
Operating Revenue	\$121.89m	\$122.65m	Additional fees
Operating Expenditure	\$109.38m	\$109.55m	Lower interest expense
Capital Income	\$18.43m	\$11.64m	
Capital Expenditure	\$54.59m	\$47.63m	Lower road exp due to lower external contributions
Loans Repayments	\$2.00m	\$1.32m	Repayment of UPG loan over three not two years

Asset Management Plan

Council adopted Asset Management Plans for five areas of Council's assets, namely Roads, Building, Drains, Parks & Footpaths. Each Plan forecast an amount to be spent on renewing council assets in the above categories with a planned amount to be spent as per the criteria. There is a gap between what has been identified and the shortfall is expected to be in place for the next two financial years and the City constructs and funds the Cockburn Central West Facility. The table below highlights the gap. For definitional purposes renewing of assets is specifically the subject of the Asset Management Plans whereas upgrading is a mixture of renewing the asset but has been coupled with additional improvements. An example in the 2013/14 draft budget is the road project at the intersection of Hammond Road and Beeliar Drive. Part of the project is to realign the intersection including signalisation but at the same time the intersection will be resurfaced or renewed.

Class of Asset	AMP Forecast	Actual Planned	Gap13/14	Budget 13/14	Classification
Roads	\$2,027,429	\$963,050	-\$1,064,379	\$1,079,000	Class as renew
				\$1,775,000	Class as upgrade
Parks	\$1,058,500	\$576,800	-\$481,700	\$1,102,000	Class as renew
				\$185,000	Class as upgrade
Footpaths	\$338,661	\$492,258	\$153,597	\$280,000	Class as renew
				\$41,000	Class as upgrade
Drains	\$1,030,802	\$226,000	-\$804,802	\$1,005,000	Class as renew



				Nil	Class as upgrade
Buildings	\$1,283,831	\$1,283,831	\$0	\$525,000	Class as renew
				\$1,114,000	Class as upgrade
Total	\$5,739,223	\$3,541,939	-\$2,197,284	\$2,986,000	Class as renew
				\$4,120,000	Class as upgrade

The intention is to provide this every year and to reclassify the status of "Upgrade" into New and Renew to clarify how much is being allocated to meeting the Asset Management Plans.

Workforce Plan

Council adopted the Workforce Plan in March 2013. The 2013/14 budget reflects new appointments as outlined in the Plan including the five new library staff for the Success Library which is due to open in 2014. The new staff for 203/14 include the following:

- Property Officer
- Trades Assistant – Mechanical Services
- Parks Supervisor
- Waste Disposal Supervisor
- Procurement Manager
- Health Promotions Officer
- Traffic and Transport Officer
- Waste Disposal General Hand – Hazardous materials

Closing Municipal Position

The 2013/14 Municipal Budget is balanced with no positive or negative funds. This is after all operating and capital income and expenditure items plus reserve transfers are brought to account. A report will be brought to Council in October 2013 in regards to Carried Forward Capital Works and the relevant budget adjustments will be made as part of the outcome from the report to Council.

Submissions

The City has received a submission from a ratepayer who believes rates should only rise by the consumer price index (CPI) which for Perth to 31 March 2013 was 2.4%. The proposed increase is reflective of both increases in everyday items the City consumes but also the demands placed on the City to deliver a range of services which are not indexed by the CPI such as waste charges, electricity and gas, labour costs, depreciation on more assets gifted to the City, insurance premiums in addition to falling returns on the cash reserves due to lower term deposit rates. The City believes the proposed increase is reasonable and has constrained itself to only an overall cost increase



of 2.45% with all additional resources being directed to another substantial capital works program.

A second submission has been received from the Banjup Residents Group. It notes the intention of the City of Cockburn in 2013/14 to increase rates and charges on residential properties in Banjup by 4.9%. However, the number of rateable properties in the City is growing at 2.5%, with a commensurate increase in revenues. With inflation in Perth currently running at 2.5%, the Banjup Residents Group believes that the City should have tried harder to contain its costs, work within the naturally increased revenues, and kept any rises in rates and charges to within inflation or less. Hence, the Banjup Residents Group objects to a rise in rates and charges that is double the inflation rate.

Officer's comment

Both the above submissions have requested that the increase in rates should be at the same level as the CPI.

Exempt Properties

The 2013/14 Objects and Reasons document indicated a Waste Management Service Charge for exempt properties of \$440, when in fact the recommendation contained in this report is \$450. The reason for the increase is the \$450 service charge reflects a very similar increase (4.65%) as contained in the non-exempt charge. The initial increase proposed was too low and it was believed a more appropriate increase was the same as applied to the non-exempt properties.

Strategic Plan/Policy Implications

Leading & Listening

- A responsive, accountable and sustainable organisation.
- Manage our financial and infrastructure assets to provide a sustainable future.
- A culture of risk management and compliance with relevant legislation, policy and guidelines

Budget/Financial Implications

The Budget provides funds as outlined in the recommendations as the commencement of this report and the detailed attachments.



Legal Implications

Section 6.2 of the Local Government Act 1995 requires Council to prepare an annual budget.

Community Consultation

Section 6.36 of the Local Government Act 1995 requires the Council to advertise the differential rates proposed in the budget attachments. The Council advertised the differential rates in the Cockburn Gazette on Tuesday, 7 May 2013, West Australian newspaper on Wednesday, 8 May 2013 and the Cockburn Herald on Saturday, 11 May 2013. At the same time the Objects and Reasons to support the differential rates were placed at the City's Libraries, on Council's website, on Council's social media tools, emails to all the City's community groups and the list of persons on the email information list. Comments were invited from interested parties. At the date of this report one submission was received. The City acknowledged receipt of the submission. The City also advertised that the municipal budget was being presented to the June Council meeting and copies of the budget would be available on the City's web site.

Attachment(s)

1. Municipal Budget for 2013/14 and associated Schedules.
2. Schedule of Submission – Objects & Reasons 2013/14.

Advice to Proponent(s)/Submissioners

N/A

Implications of Section 3.18(3) Local Government Act, 1995

Nil.

16. ENGINEERING AND WORKS DIVISION ISSUES

16.1 (MINUTE NO 5070) (OCM 13/06/2013) - DRAFT SMRC STRATEGIC COMMUNITY PLAN 2013 - 2023 (028/006) (M LITTLETON) (ATTACH)

RECOMMENDATION

That Council:

- (1) forward comments to the SMRC on their Strategic Community Plan, as outlined in this report;
- (2) co-ordinate a meeting with all member councils to agree on the



future of the SMRC beyond 2023;

- (3) develop a range of business models to be considered by Member Councils;
- (4) develop a range of governance options to be considered by Member Councils; and
- (5) engage a suitable consultant to assist in quantifying the costs of the various business models considered for presentation to Member Councils.

COUNCIL DECISION

MOVED Clr C Reeve-Fowkes SECONDED Clr V Oliver that the recommendation be adopted.

CARRIED 7/0

Background

The Southern Metropolitan Regional Council (SMRC) has prepared a 10 year Strategic Community Plan (SCP) as a requirement of the new Local Government regulation provisions for the integrated planning framework.

The SMRC propose to adopt the Strategic Community Plan at its meeting of 27th June 2013 and had requested feedback by member Councils prior to that time.

Submission

SMRC have sought comment from member Councils.

Report

Officers have reviewed the draft SCP (attached). The draft SCP is the culmination of a number of stakeholder meetings which were attended by representatives of the City of Cockburn. Generally the SCP is a good guiding document and articulates the future direction of the SMRC reasonably well. On review, officers have made a number of suggestions which we think will strengthen the document.



Our Story

It is important to tell the story. The précis of the SMRC's journey is an important section and serves as a reminder to why the Member Councils embarked on the journey some 20 years ago.

The SMRC has however come through a particularly difficult time in its history. The new humidification system completed in 2013 has been implemented to address public reports of odour that have been prevalent for many years. This section only references odour management system upgrades in December 2005 which could be construed by readers as the SMRC glossing over the odour issue. Whilst it is important to continue to focus on the value that the SMRC provides in leading waste management, it is equally important to acknowledge the things that have shaped the business. Further reference to the recent improvements to the odour management system needs to be reflected in the SCP.

Existing Waste Strategy

There is no reference to the current SMRC Waste Minimisation Strategy (2008). As this is the adopted plan the SCP should provide some linkage back to that document. The SMRC Waste Minimisation Strategy has been presented and in some circumstances adopted by Member Councils. There is no indication if this document has relevance to the SMRC business going forward.

What we are doing

This section would be enhanced if it gave a matrix as to what waste volume the average household produces and what types and % the SMRC takes. The SMRC's 'relevance' to their stakeholders relates directly to what they do for them, but the document provides no data to put this into perspective. It would also put any plans for further waste processing activities into context i.e. supports a strategy for the SMRC to address specific waste streams that consumers/householders are generating.

Key Strategic Challenges / Risks

Identifying key strategic challenges or risks to the business is an important foundation in developing strategy. Articulating these challenges as part of setting the 2023 landscape will give the reader a better feel for the future of the SMRC business.

This section could include an 'environmental scan' which provides some context of the waste portfolio over the next 10 years. Key issues such as Waste to Energy could be highlighted. Waste generation



projections in all areas and including Commercial and Industrial (C&I) and Construction and Demolition (C&D) waste streams could be identified. Some reference to the potential for further National or State initiatives such as Extended Producer Responsibility and Container Deposit schemes would also be appropriate particularly if they have a potential impact on the business.

Whilst it is understood that the SCP goes beyond operational issues; the SMRC's ability to continue to operate an aging plant in a corrosive environment continues to be one of the most significant challenges over the next 10 years. Maintaining plant through-put thereby maintaining a service to customers should be identified in the SCP as a challenge or risk.

Our Assets

There is no mention of the current state of the assets or the critical issue of approaching end of asset life. The plan extends to 2023 and this timeline is consistent with the depreciated life for the Waste Compositing Facility (WCF) and Material Recovery Facility (MRF). The plan should highlight the intention for asset renewal and replacement. This is probably the **most fundamental** issue that the SMRC face. Objective 1.1 should also include some reference to asset management and renewal.

What will we be doing in 2023

The SCP and this section are premised on a number of broad assumptions. It would make sense to detail these assumptions to give the reader greater clarity in the manner in which the SMRC will deliver services going forward. Some of the key assumptions which are evident include:

1. the business will operate beyond 2023
2. member councils support the SMRC beyond the useful life of both the WCF and MRF.
3. the SMRC will pursue and implement Alternative waste Management Technologies

Our Vision

The visual representation is good. It is a little confusing however when the key objectives of each of the key Focus Areas included on page 15 do not correlate with the objectives outlined in each section (instead they correlate with the statements made under 'What this means'). It is suggested that the wording be consistent with the objectives.



Resource Recovery

The SMRC have used Member Councils waste volumes to fund the ongoing operating costs of the business. This has enabled the SMRC to offer processing capacity to other customers at a reduced rate. Whilst this has provided economic dividends to the SMRC, it has meant that Member Councils rates are somewhat higher than other customers of the facility. What is clearly apparent is the need for the SMRC to secure long term tonnages to ensure that the business is operating to capacity. Objective 1.1 (b) is supported, however extending the service offering should not come at the expense of its investors.

There is currently a number of Waste to Energy proposals which have been submitted to Government for assessment and approval. There appears to be growing political support for alternative technology. Whilst it could be argued that this technology does not meet the broader environmental targets of the SMRC, the touted costs may impact on the SMRC's ability to attract additional tonnages into the facility. In light of this, Changes in Legislation, Increasing Competition, Potential withdrawals from the SMRC should be highlighted as Key challenge affecting this activity.

The Our Vision representation in resource Recovery outlines the following - 'we identify partnership opportunities to add value to our residual products'. This is not explored in the Key Focus Area of Resource Recovery. It would also lead to outcomes where the SMRC may not process a particular waste or own the processing solution, but arrange the partnership deal for the stakeholders.

Business Sustainability

The plan refers to a Long-Term financial resourcing plan. One of the key measures of success for a financially sustainable SMRC is a funded asset management strategy - be it based on asset consumption or renewal at 2023. This is an important linkage that should be included in objective 2.4.

Obj 2.5 should include reference to the development and adoption of a Workforce Plan. That plan would include a range of HR matters that are not referenced, e.g. training.

Community & Stakeholder Relationships

'We will improve the environment through behavioural change' and 'We will reduce the community's greenhouse gas emissions from waste' have been combined as objective 3.1. Environment and Greenhouse Gas emissions offer the SMRC 2 distinct platforms with which to inform



and educate. It is suggested that they be retained as 2 distinct objectives to focus on.

Objective 3.2 should identify engagement with member councils. The importance of Member Council support should not be understated. They continue to be a key focus area for the SMRC as there are synergies between collection and disposal that do not appear to be well recognised throughout the SCP.

Conclusions

The SCP is a document which has been prepared by the SMRC to detail broad strategic intent of the business moving forward, and to meet its statutory obligation. The SCP is well presented and provides a good platform for the business over the next 10 years. A Workforce Plan, Asset Management Plan and Long Term Financial Management Plan will also need to be presented to meet its legislative requirements.

The withdrawal of 2 founding member councils over the past 3 years have increased the proportional costs on the remaining Member Councils (Cockburn's proportional costs have increased from 27% to 40%). The withdrawal has also resulted in a loss of processing volume which has meant that the facility is not operating at optimum capacity and must secure additional volumes to offset escalating costs. Essentially, fixed costs are being borne by fewer member councils which means that we are more susceptible to cost increases. Officers believe that these cost increases represent a significant risk to not only Cockburn but all Member Councils. In the event that additional tonnages are not able to be secured, officers suggest that we consider how we wish to manage our investment in the longer term. That may mean reviewing the SMRC as an entity, changing its function or changing its purpose. These issues are best reviewed by the Member Councils.

The draft SCP presented provides a good framework for the SMRC and with some modifications, gives member Councils some insight into the future directions of the business. The SMRC is however an instrument of its Member Councils. It is equally important for the Member Councils to provide some clarity back to the SMRC on our views of its future beyond the life of the current facility (2023). We need to ensure that the SMRC have a clear direction from its Member Councils so that it can align its strategy and operation to achieve that outcome. We should test the broad assumptions made in the creation of the SCP and either confirm or amend them. That will enable the SMRC to develop an appropriate strategic direction and will further guide the administration of the business. To that end, the recommendation contains a number of actions which will seek to provide clarity to the SMRC.



Strategic Plan/Policy Implications

Leading & Listening

- A responsive, accountable and sustainable organisation.

Environment & Sustainability

- A community that uses resources in a sustainable manner.
- To protect, manage and enhance our natural environment, open spaces and coastal landscapes.
- Community and businesses that are supported to reduce resource consumption, recycle and manage waste.

Budget/Financial Implications

The costs of the SMRC are factored into our budgets annually and are funded through a waste service charge levied on all ratepayers. Our current service charge is \$390 and it is proposed to increase that fee for 2013/14 to \$408.

Legal Implications

The SMRC is an instrument of its Member Councils and is given its authority through an Establishment Agreement signed by the Cities of Kwinana, Cockburn, Fremantle, Melville and the Town of East Fremantle.

Community Consultation

SMRC are currently consulting with stakeholders on the SCP.

Attachment(s)

Draft SMRC Strategic Community Plan 2013-2023.

Advice to Proponent(s)/Submissioners

The Proponent(s) has been advised that this matter is to be considered at the 13 June 2013 Ordinary Council Meeting.

Implications of Section 3.18(3) Local Government Act, 1995

Nil.



17. COMMUNITY SERVICES DIVISION ISSUES

17.1 (MINUTE NO 5071) (OCM 13/06/2013) - LEASE OF THE SOUTH COOGEE AGRICULTURAL HALL TO SCOUTS WA - LOT 48 (739) ROCKINGHAM ROAD, MUNSTER (3411003; 041/008) (R AVARD) (ATTACH)

RECOMMENDATION

That Council enter a lease with Scouts WA for the use of the South Coogee Agricultural Hall under the following terms and conditions:

- (1) a peppercorn lease for a period of one(1) year with an option for a further three (3) years;
- (2) the lease area be as designated on the attached site plan; and
- (3) the requirement for Scouts WA to make the South Coogee Agricultural Hall available for hire/rent in accordance with the City of Cockburn schedule of hall hire fees subject to space availability.

COUNCIL DECISION

MOVED Clr C Reeve-Fowkes SECONDED Clr V Oliver that the recommendation be adopted.

CARRIED 7/0

Background

Council at its meeting of 14 February 2013 resolved to enter a lease agreement with the TS Cockburn and the Friends of the Community for the use of the old Cockburn Voluntary State Emergency Services (SES) Building on 15-19 Kent St, Spearwood; a portion of Lot 7 on Plan P1764. The result of this is that the building previously occupied by TS Cockburn, the South Coogee Agricultural Hall, is now vacant.

Submission

A letter has been received from Scouts WA seeking approval to lease the South Coogee Agricultural Hall.



Report

The South Coogee Agricultural Hall is located on Lot 48 (739) Rockingham Road, Munster. The building is in reasonable condition for its age and is on the City of Cockburn Heritage list. While the building has good exposure on Rockingham Road, it is several kilometres from residential areas and hence previously when available for hire had limited use. For the period of approximately ten (10) years that the building was used by the TS Cockburn there was limited enquiries from the local groups or members of the public for the use of the building. Nevertheless there would be value in requiring the Scouts to allow use of the building by suitable community groups should the building be available at the required times.

The land is within the Australian Marine Complex (AMC) precinct and is owned by the City of Cockburn in freehold.

As the scouts will be establishing a new group the level of usage by the Scouts is unknown and it is proposed that should a lease be agreed by Council it be for an initial period of one (1) year with the option to extend for a further three (3) years.

Strategic Plan/Policy Implications

Infrastructure

- Partnerships that help provide community infrastructure.

Community & Lifestyle

- Promotion of active and healthy communities.

Budget/Financial Implications

The recommendation of the report will have no significant financial implications. Should Council resolve to proceed with a lease it would anticipated that the lease terms and conditions would be similar to that which applied for the previous use of the South Coogee Agricultural by the TS Cockburn.

Legal Implications

Regulation 30(2)(b)(i) of the Local Government (Functions and General) Regulations 1996 allows an exception from the provisions of Sec. 3.58 of the Local Government Act for the disposal of land when the disposal (including a lease) is to a body whether incorporated or not

“(i) the objects of which are of a charitable, benevolent, religious, cultural, educational, recreational, sporting or other like nature.”



Community Consultation

The South Coogee Agricultural Hall has been used for many years by the TS Cockburn who had exclusive use of the building with no hire being permitted. It is recommended that there be a lease condition that the scouts are able to hire the facility to community groups, that the hire fees be in accordance with the schedule established by the City for its facilities and that permission to hire to groups not be unreasonably withheld. The Scouts would retain income generated from such hire.

Attachment(s)

1. Letter from Scouts WA seeking to lease the South Coogee Agricultural Hall.
2. Aerial photograph of the building and the lease area.

Advice to Proponent(s)/Submissioners

The Proponent(s) have been advised that this matter is to be considered at the 13 June 2013 Council Meeting.

Implications of Section 3.18(3) Local Government Act, 1995

Nil.

17.2 **(MINUTE NO 5072) (OCM 13/06/2013) - SOCIAL MEDIA STRATEGY (006/010) (S SEYMOUR-EYLES) (ATTACH)**

RECOMMENDATION

That Council

- (1) adopt the Draft Social Media Strategy, as shown in the attachments to the Agenda; and
- (2) refer the Draft Policy and Guidelines for consideration by the Delegated Authorities, Policies and Position Statements Committee.



COUNCIL DECISION

MOVED Clr C Reeve-Fowkes SECONDED Clr V Oliver that the recommendation be adopted.

CARRIED 7/0

Background

Social Media is the latest form of “instant interaction” between people and can be used equally for personal use or as a tool to assist business and organisations promote and publicise its services, products and activities.

It has become so popular that it has overtaken most traditional forms of communication and provides users with increasing networking and engagement opportunities than ever before.

It enables organisations, in particular, to seek immediate feedback on issues that are reliant on public opinion to assist them in making, or validating, decisions.

The City of Cockburn has been active in trialing Social Media since 2010, mostly through the Corporate use Facebook, YouTube and Twitter. The City’s Libraries and Youth Centre established Facebook pages in 2008.

Statistics identify that the public interest in this form of engagement with Council is increasing rapidly and it is now a suitable time for Council to formalize a position on how to best integrate Social Media into its Corporate role and functions.

Submission

N/A

Report

Since the introduction of the World Wide Web 20 years ago, internet based communication has dominated the manner by which personal and business contacts are made.

Public organisations are usually not pioneers in the use of technology based enhancements, as their business models are rarely dependent on them to continue operations. Accordingly, most local governments have not been at the forefront of “non core” issues such as Social Media development when setting strategic goals for the future.



While this has enabled a measured approach to be taken in relation to *take up* of such initiatives, it is imperative that the City considers its position on this matter, given the opportunities that are presented, but also in recognition of challenges that are presented by its potential introduction.

It is more likely than not that Social Media will continue to develop and grow in terms of its capacity and ability to effect organisations on a daily basis. In this context, Social Media represents a low cost marketing opportunity which needs to be positively harnessed.

It is therefore a relatively simple process to develop the strategic intent of the City of Cockburn and support it with the necessary Action Plan, Policy and Procedural Guidelines.

Council's Strategic Community Plan contains an objective focussed on *Leading and Listening* to achieve the following 5 outcomes:

1. Effective and constructive dialogue with all City Stakeholders;
2. A responsive, accountable and sustainable organisation;
3. Quality customer service that promotes business process improvement and innovation that delivers strategic goals;
4. A skilled and engaged workforce;
5. People of all ages and abilities to have equal access to our facilities and services in the community.

The Draft Social Media Strategy specifically addresses each of these aspirations to ensure the connectivity between Council's goals and operational output is maintained.

Importantly, most of the objectives can be addressed either by adapting current practices or implementing new mechanisms at low, or no cost overall.

Any necessary additional expenditure can be planned and budgeted for annually without any significant or notable effect on Council resources.

The Strategy also identifies the inherent risk factors associated with the implementation of such a wide ranging issue and provides suggested risk treatment to mitigate against any major impacts on the City.

The Policy and Guidelines has been developed to enable an easy integration of Social Media practices into the organisation, but to clearly emphasise the associated "business rules" which need to be adhered to as part of the process.



Once Council is comfortable with the content of the proposed Strategy, the supporting documents (Policy and Guidelines) will be submitted to the DAPPS Committee for consideration.

Strategic Plan/Policy Implications

Community & Lifestyle

- Communities that are connected, inclusive and promote intergenerational opportunities.

Leading & Listening

- Effective and constructive dialogue with all City stakeholders.
- Effective advocacy that builds and manages relationships with all stakeholders.
- A skilled and engaged workforce.

Budget/Financial Implications

Any required funds will be requested through normal budget processes.

Legal Implications

N/A

Community Consultation

N/A

Attachment(s)

1. Draft Social Media Strategy and Action Plan
2. Draft Social Media Policy
3. Draft Social Media Guidelines - Employees
4. Draft Social Media Guidelines – Elected Members

Advice to Proponent(s)/Submissioners

N/A

Implications of Section 3.18(3) Local Government Act, 1995

Nil.



17.3 (MINUTE NO 5073) (OCM 13/06/2013) - PROPOSED WESTERN SUBURBS SKATE PARK LOCATION (016/011) (G BOWMAN) (ATTACH)

RECOMMENDATION

That Council commence a process of public consultation, pursuant to Policy AEW4, on the proposal to:

- (1) locate the Western Suburbs Skate Park at Market Garden Swamp North Reserve, Spearwood;
- (2) upgrade the existing skate park facilities located at Market Garden Swamp North Reserve, Spearwood to include a 1,000 sq.m. skate park facility, and a 12 bay car park;
- (3) further consider the allocation of funding from the Community Infrastructure Reserve Fund for the detailed design, and construction of the Western Suburbs Skate Park and requisite facilities following the community consultation process; and
- (4) further consider the allocation of funding from the DCP 13 contribution for the Western Suburbs Skate Park and requisite facilities following the community consultation process.

COUNCIL DECISION

MOVED Clr C Reeve-Fowkes SECONDED Clr V Oliver that the recommendation be adopted.

CARRIED 7/0

Background

Due to previously identified community need the Developer Contribution Fund (DCP) 13 included an allocation of \$350,000 for the Western Suburbs Skate Park which is categorised as a Sub-Regional (West) facility.

The Department of Sport and Recreation's Decision Making Guide (2007) cites an example from the North Metropolitan Region Recreation Advisory Committee for facility provision needs based on a population of 100,000. The ratio indicated for skate parks is 3.57.



Translating this ratio to Cockburn's projected growth (127,885 in 2031), more than four skate parks would be required City wide. In 2006/07 two skate parks were constructed in Coolbellup and Atwell. However no facility was provided for the West Ward suburbs of Coogee, Spearwood, Munster and Hamilton Hill. The additional Western Suburbs skate park is planned to fill this gap in provision.

Submission

N/A

Report

In 2008 it was estimated that there were upwards of 10,000 people under the age of 25 living in the western suburbs who did not have easy and convenient access to a permanent skate facility. That number will significantly increase as further development occurs within the catchment. The size of the facility has regard to the future residential development and growth in the number of potential users.

Due to this identified community need it is proposed that a sub-regional permanent skate park be constructed to satisfy the needs of the western portion of the district. This is considered appropriate because the Central Ward and the East Ward already have skate park facilities in Coolbellup and Atwell that cater for their needs.

The original recommended location of the Western Suburbs skate park was Dixon Reserve. More detailed analysis of the site found it to be contaminated, rendering it unsuitable for construction of a concrete slab and permanent skate park facility. Due to the unsuitability of Dixon Reserve other alternative sites have been investigated.

The City has considered alternative sites in the West Ward against the following key criteria:

- The land is under the City's control;
- The site has sufficient space for the proposed 1000 square metre facility;
- The site is suitable for development of a skate park facility with no ground water issues and minimal site works required;
- The site has good public transport to ensure accessibility of the facility for young people living in the west ward;
- The site is compatible with existing and adjacent land uses;
- The proximity of houses to the site;
- The site has good passive surveillance and meets the Crime Prevention Through Environmental Design (CPTED) requirements for a skate park facility; and
- The site has the ability to connect a drinking fountain.



For further details of the other criteria considered please see attached Reserve Multi-Criteria Matrix.

Eight reserves located in the west ward have been scanned with 3 sites ranked as most suitable. The top three sites were considered to be Market Garden Swamp North Reserve Spearwood, Rotary Park Coogee, and Len McTaggart Reserve, Coogee. More detailed analysis of these three sites was then undertaken by the Parks, Youth Services, and Strategic Planning departments which is summarised below.

Site Option One: Market Garden Swamp North Reserve

Advantages

- Excellent public transport with frequent bus services from across the district on Rockingham Road.
- A local primary school is within 265 metres of the site
- Passive surveillance from nearby residents and a main road
- High existing land use compatibility due to a minor portable skate park facility already located on the site
- No history of noise complaints by nearby residents from the existing skate park facility
- Other park facilities such as a playground , picnic tables, seating, existing paths for pedestrian accessibility
- Sufficient land to upgrade the skate park facility to 1000 square metres
- Sufficient land to construct a 12 bay car park facility for access to the sub-regional facility
- Site suitable for construction of skate park facility with minimal site works
- Local shopping precinct within 700 metres

Disadvantages

- No car park is located on the site
- proximity of residents is approximately 40 metres

Site Option Two: Rotary Park, Coogee

Advantages

- Passive surveillance from nearby residents and a minor road
- Other facilities such as a playground , seating,
- car park facility is located on the site
- Sufficient land to provide a skate park facility up to 1000 square metres in size
- Site suitable for construction of skate park facility with minimal site works
- Minimal existing land use compatibility
- Local shopping precinct within 600 metres



Disadvantages

- Poor public transport with infrequent services for some areas of the west ward.
- Proximity to residents is approximately 45 metres
- No drinking fountain is on the site

*Site Option Three: Len McTaggart Reserve, Coogee*Advantages

- Good public transport with frequent bus services from across the district from Cockburn Road.
- Other facilities on reserve include a playground, seating, and South Coogee Community hall
- car park facility is located on the site
- Sufficient land to provide a skate park facility up to 1000 square metres in size
- Passive surveillance from nearby residents
- Shopping centre within 400 metres
- Proximity of residents is 80 metres creating a larger buffer zone

Disadvantages

- The cul-de-sac location is less desirable from a CPTED perspective
- There is a History of noise complaints from nearby residents to the site regarding the Coogee Hall facility and complaints regarding some proposed changes to the reserve affecting property values.

All three site options meet the key criteria for a skate park facility.

However, Market Garden Swamp Reserve was ranked most suitable. Two significant advantages of this site were that it has frequent public transport making it accessible to young people in the sub-region, and that it has a high existing land use compatibility with a portable skate park already being located on the site. Due to the site having an existing skate park facility it only requires that residents be consulted about an upgrade to a sub-regional facility with car park. Having an existing portable skate park facility with no history of noise complaints ranked Market Garden Swamp North Reserve the most compatible site for this type of development.

It is also proposed to relocate the existing portable skate park pieces to another suitable site in the District that meets the CPTED criteria. This upgrade to a permanent facility will also provide an opportunity for a small skate park in another area. There is an existing operational budget for the purpose of relocating the portable skate park pieces to other locations so there will be no additional funds required for relocation costs.



The attached concept plan indicates the proposed location of the 1,000 square metre skate park facility and 12 bay car park facility at Market Garden Swamp North Reserve.

Strategic Plan/Policy Implications

Infrastructure

- Community facilities that meet the diverse needs of the community now and into the future.
- Community infrastructure that is well planned, managed, safe, functional, sustainable and aesthetically pleasing.

Community & Lifestyle

- Community environments that are socially cohesive and embrace diversity.
- Communities that are connected, inclusive and promote intergenerational opportunities.
- People of all ages and abilities to have equal access to our facilities and services in our communities.

Moving Around

- Infrastructure that supports the uptake of public transport and pedestrian movement.

Budget/Financial Implications

The projected original total cost estimated in the DCP 13 was \$350,000. The cost to construct the 1000 square metre Coolbellup and Atwell Skate Park facilities in 2006 was \$90,000 per skate park.

Due to increased price competition in the Australian skate park industry the City now considers that an estimated budget of \$250,000 is sufficient for a sub- regional skate park facility of 1000 sq. m., a 12 bay car park and drinking fountain.

The revised projected cost estimate is \$250,000 for the design and construction of the skate park, car park, and drinking fountain.

The costs estimates are:

- \$210k for the Detailed Design, Site Works, and construction of 1,000 sq.m. skate park facility;
- \$28k for the Design and construction of a 12 bay Car Park; and
- \$12k for the connection and Installation of a drinking fountain.



Total Estimated Cost \$250,000

The proposal will be funded from both Council sources and DCP contributions. The DCP13 percentage contribution for the Western Suburbs skate park was 31.594% leaving the remainder to be funded from Council sources, through the Community Infrastructure Reserve Fund.

Council share (68.406%) = \$171,015

DCP13 share (31.594%)= \$78,985

Legal Implications

N/A

Community Consultation

Public consultation will be conducted in accordance with Policy AEW4 Installation of Playground/ Recreation Equipment on Reserves for the proposed location of the Western Suburbs skate park at Market Garden Swamp North Reserve.

Public consultation will also be conducted in accordance with Policy AEW4 Installation of Playground/ Recreation Equipment on Reserves, for the proposed relocation site of the portable skate park pieces.

Policy AEW4 requires that a sign be erected on the site advertising the proposed location and type of recreation equipment for two weeks, and that neighbours within 50 metres of the site will be notified in writing of the intention to locate the recreation equipment on the site.

Attachment(s)

1. Concept plan
2. Reserve Multi Criteria Matrix

Advice to Proponent(s)/Submissioners

N/A

Implications of Section 3.18(3) Local Government Act, 1995

Nil.

18. EXECUTIVE DIVISION ISSUES

Nil



19. MOTIONS OF WHICH PREVIOUS NOTICE HAS BEEN GIVEN

DECLARATION OF INTEREST

Mayor Howlett advised the meeting that he had received a declaration of interest from Clr Houwen, which is a proximity Interest in Item 19.1 "Woodman Point Waste Water Treatment Plant" pursuant to Section 5.60B(1)(c) of the Local Government Act, 1995.

The nature of the interest is that he is a landowner within the current odour buffer area.

CLR HOUWEN LEFT THE MEETING THE TIME BEING 8.40 PM.

19.1 (MINUTE NO 5074) (OCM 13/06/2013) - WOODMAN POINT WASTE WATER TREATMENT PLANT - PAE HOLMES REPORT (340024; 139/004) (MAYOR HOWLETT)

COUNCIL DECISION

MOVED Mayor L Howlett SECONDED Clr C Reeve-Fowkes that Mr Robin Ormerod be invited to present the PAE Holmes Report dated 16 November 2011 at the scheduled Elected Member briefing session to be held on Thursday 20 June 2013, subject to the presentation being separate to the Water Corporation's presentation, (so that no party is able to observe each other's presentation) and to be at no cost to Council.

CARRIED 6/0

Reason for Decision

The PAE Holmes report provides another perspective to the Woodman Point Waste Water Treatment Plant and the extent of buffer. It would serve all Elected Members to have a presentation from the Report's author to present the findings of the Report.

Background

The following Notice of Motion was received from Mayor Howlett on 5 June 2013:

That Council include a presentation on the PAE Holmes Report dated 16 November 2011 in the scheduled Elected Member briefing session to be held on Thursday 20 June 2013. The



presentation to be made by the Report's author or another person identified by the community to present the findings of the Report.

Submission

N/A

Report

This report deals with the Notice of Motion.

The Notice of Motion concerns the upcoming Elected Members briefing regarding the Woodman Point Waste Water Treatment Plant and its associated buffer. The Notice of Motion seeks to provide the opportunity to Mr Robin Ormerod to present at the same briefing, on his report (titled the PAE Holmes Report) which effectively disagrees with the position of the Water Corporation as determined through their Odour Monitoring and Modelling Report.

It is recommended that Council not seek to combine the Water Corporation and the Mr Ormerod's briefings. Instead, while the briefings may occur on the same night, they should be held separately, with neither party present whilst the briefing is provided by the other. This will ensure fairness to both parties and allow elected members the opportunity to ask any questions without prejudice. Given the complexity of the issue it is recommended that only the report's author be invited to provide a presentation on the contents of his report.

Strategic Plan/Policy Implications

Leading & Listening

- Effective and constructive dialogue with all City stakeholders.
- Effective advocacy that builds and manages relationships with all stakeholders.

Budget/Financial Implications

The invitation to present is to be at no cost to Council.

Legal Implications

N/A

Community Consultation

N/A



Attachment(s)

PAE Holmes Report – November 2011.

Advice to Proponent(s)/Submissioners

N/A

Implications of Section 3.18(3) Local Government Act, 1995

Nil.

CLR HOUWEN RETURNED TO THE MEETING THE TIME BEING 8.43 PM.

MAYOR HOWLETT ADVISED CLR HOUWEN OF THE DECISION OF COUNCIL IN HIS ABSENCE.

20. NOTICES OF MOTION GIVEN AT THE MEETING FOR CONSIDERATION AT NEXT MEETING

Nil

21. NEW BUSINESS OF AN URGENT NATURE INTRODUCED BY COUNCILLORS OR OFFICERS

21.1 (MINUTE NO 5075) (OCM 13/06/2013) - REPORT ON REQUEST FROM THE COOGEE BEACH SURF LIFE SAVING CLUB FOR ADDITIONAL FUNDS TO FINALISE STAGE 2 OF THE FACILITY (154/007) (S DOWNING) (ATTACH)

COUNCIL DECISION

MOVED Deputy Mayor K Allen SECONDED Cllr V Oliver that

- (1) allocate the following funds to complete the building works for Stage 2 at the Regional Surf Life Saving and Multi-Purpose Community Facility at Poore Grove by amending:
1. The 2012/13 Municipal Budget by \$165,379.31 from the Community Infrastructure Reserve Fund; and
 2. The 2013/14 Municipal Budget by \$430,001.16 (\$300,000 Capital Contingency Account, \$50,000 Municipal Artwork (Carried Forward from 2012/13) Account, and \$80,001.16 from the Developer Contribution Fund (DCA13) Account.



- (2) allocate \$156,163.37 from the 2014/15 Municipal Budget – Community Infrastructure Reserve Fund; and
- (3) advise the Coogee Beach Surf Life Saving Club (Inc) that Council has increased the Capital budget in response to their request for \$751,543.84 to cover variations in the contract between the Club and the builder.

CARRIED BY ABSOLUTE MAJORITY OF COUNCIL 7/0

Background

Council resolved at its meeting of 20 May 2005 to approve the development of facilities at Poore Grove for the Coogee Beach Surf Life Saving Club and to provide an improved beach access node for the community at this site. The Council also previously allocated \$0.1m in its 2003/04 budget for the contracting of consultants to prepare schematic designs for the facilities.

At its meeting of 10 May 2007 Council resolved to contribute \$1.0m toward the construction of club facilities subject to a funding plan for the project.

At its meeting of 12 July 2007 Council resolved to enter an Memorandum of Understanding (MOU) for the development of a Regional Surf Lifesaving Facility and Multipurpose Community Facility and to allocate a further \$0.36m for architectural and other consultancies as required.

The salient points within the MOU are as follows:

- All aspects of the building works contract will be the responsibility of the Club
 - The project architect shall meet the criteria established by the Department of Housing and Works for a project of this nature.
 - The Council is required to approve the building design and specifications prior to the building contract being let by the Club.
 - Other than the current commitment by Council of \$1.0m all other building project funds are to be sourced by the Club.
 - On completion of the project all day-to-day management, services and maintenance costs will be the responsibility of the Club.
 - There will be a lease established between the City and the Club that will be at least 15 years in duration.
 - A lease fee will be struck which recognises the benevolent and community service nature of the club as a tenant.



The intent of the Club being responsible for the building contract was seen as the best means by which corporate donations of materials and equipment could be sourced. For example, it was believed that steel from a local company would more likely to be donated to the Club than the City. As it transpired, the Club was unable to achieve any donations for the construction stage of the project.

At its meeting of 13 March 2008 Council resolved to approve a development Master Plan and Building Design for a Regional Surf Life Saving Club and Multi-functional Community Facility and a new beach access node at Poore Grove and to consider a further allocation of funds in the context of the Plan for the Future of the District. This followed an extensive investigation and independent review on size and space requirements and sustainability design. A copy of the adopted plan is attached.

The Council report identified the following proposed staged development.

“Stage 1 of the facility will provide for lifesaving equipment storage, beach patrol operations, toilets/change rooms, gymnasium and multipurpose training and meeting areas, for the Coogee Beach Surf Life Saving Club and other community groups proposing to share the facility, including YMCA Perth, and the Spearwood AUSSI Masters Swimming Club. In addition to the specific requirements of the Club Stage 1 of the building development proposes to include public facilities (change rooms/toilets and disabled beach wheelchair storage) which have been included at the City’s request.

Stage 2 of the development will include a kiosk, alfresco outdoor area with ocean and park views to serve the general community and Club members.

Stages 3 & 4 will provide for future common use administrative areas and training rooms as well as a caretaker’s bed sit.

Stage 5 of the plan identifies future long term areas for expansion of equipment storage and multifunction community uses if required.”

The concept plan also allowed for a grassed barbecue public area consistent with the area being a beach access node.

In December 2008 the City made an application to the Commonwealth under the Regional and Local Community Infrastructure Program.

As a result, the City was advised that it had received a grant of \$2.0m on 16 July 2009. To ensure the works could proceed quickly the documentation for the total project was broken into two components.



Firstly, the forward works which included the car parking, lighting, picnic areas, services connection, building retaining walls and revegetation. This work was tendered and managed by the City (contracted to the Commonwealth) to have this element completed under the funding agreement by 30 September 2010. The works were actually completed by March, 2012, which was a delay due to a range of factors.

In March 2010 the Club was advised that applications for funding to LotteryWest (\$0.5m) and Department of Sport and Recreation (\$0.75m) had been successful. These submissions were based on the assumption that the building would be completed by the last quarter of 2011.

At its meeting of 14 October 2010 Council resolved to approve the building design for the Club and public facilities and to consider any allocation for funding toward the development following receipt of advice from the Club on the results of the tender process in February 2011.

Submission

The Coogee Beach Surf Life Saving Club has formally requested Council to allocate a further \$0.752m over the 2012/13, 2013/14 and 2014/15 financial years to enable the building works to be completed in accordance with the Contract.

Report

The Coogee Beach Surf Life Saving Club contracted Architectural firm Spaceworks (Principal, Mr Craig Grundmann) and a consulting team of engineers to prepare the detailed design and documentation for the building project to be tendered. This was done in accordance with the design approved by Council at its meeting of 13 March 2008. The tender for the construction contract closed in November 2010. The lowest tenderer withdrew due to the extended cost reduction negotiations and the requirement to add a kiosk into the contract cost. Pindan then became the preferred tenderer with an initial tender price of \$6,354,074, which was later negotiated down to \$5,806,213.

The Club advised the City that it had negotiated a construction tender price of \$5,806,213 and the Council resolved to accept this price (which was for the building plan as approved by Council on 13 March 2008). At a meeting with the City's Executive team the Surf Club Executive were verbally advised that the tender figure of \$5.8m was to include the construction of the kiosk within the price and with an additional allocation of some \$50,000 for design.



The Club was formally advised of the decision of Council at its meeting of 12 May 2011 by letter as follows:

- (1) *Allocate over the 2011/12 and 2012/13 municipal budgets, the total sum of \$6.5m for the construction of the Coogee Beach Surf Life Saving Club and Multifunctional Community Facility.*
- (2) *approve the appointment by the Coogee Beach Surf Life Savings Club of Pindan Pty Ltd at the negotiated lump sum contact price of \$5,806,213 (GST exclusive);*
- (3) *enter an Agreement for Lease and Lease with the Coogee Beach Surf Life Saving Club (Inc) for premises to be constructed on a portion of Lot 172 Cockburn Road Coogee subject to the following conditions:*
 1. *The lessee will construct on the land a Regional Surf Life Saving and Multipurpose Community Facility in accordance with the approved plans and specifications.*
 2. *The lease shall be for a period of 20 years for the premises as shown on the (then attached) plan.*
 3. *The lease fee shall be peppercorn.*
 4. *The lessee will pay all outgoings and maintenance costs in accordance with the terms and conditions prescribed in the (then attached) lease.*
 5. *Other terms and conditions as provided for the (then attached) Agreement for Lease and Lease.*
- (4) *Require a formal written commitment from the Coogee Beach Surf Life Saving Club to release all funds received from LotteryWest (\$0.5m) and the Department of Sport and Recreation (\$0.7m) towards the cost of the construction works as approved by the Project Manager/ Superintendent on behalf of the City.*
- (5) *The Agreement for Lease and the final Lease with the Coogee Beach Surf Life Saving Club (Inc) to be executed on behalf of the City by the Mayor and the Chief Executive Officer.*

Subsequent to the Council's decision, the Club entered into negotiations with the appointed builder. The outcome of these negotiations was as follows:

- Original tender price 15 December 2010 \$6,354,074
- Revised tender price 11 March 2011 \$5,806,213
(included \$121,450 for kiosk)

This is the price accepted by the Council.



The Club entered negotiations with Pindan to reduce costs and to include a kiosk in the design and cost reflected in the above outcome.

Council endorsed contract price as advised by the Club was varied as follows:

1. the light towers for northern car park not being in the forward works contract or documented in the building contract (\$35,350),
2. discrepancies in the bill of quantities (\$69,329),
3. firm price for the kiosk (\$217,869),
4. building license fee to the City (\$64,465) and,
5. increases in the costs of materials (\$59,821).

The final fixed price which was accepted by the Club on 9 December 2011 was \$6,246,575.

The Manager, Community Services agreed to the variation to the contract between the Club and Pindan as:

1. the figures were confirmed by the Superintendent (DCWC) as reasonable and in response to an email from the Club on 16 December 2011 in which it was stated by the Club that "It is clear that during construction there will be minimum room for contingencies, and any essential variations will need to be offset by other cost savings during construction" and,
2. the revised price was accepted as it was contained within the budget allocation of \$6,500,000 for the project however it left little room for other variations or other project contingencies.

Pindan began building works on 3 April 2012, some 15 months from the date of their initial tender.

The City appointed Donald Cant Watts Corke (DCWC), Quantity Surveyors, to act as Superintendent and cost controller for the project on 22 June 2011 at the contract value of \$77,000. All contract variation requests by the Builder through the Surf Club have been reviewed and agreed to by DCWC as reasonable.

It became evident once construction began that there were many variations to the contract that needed to be dealt with and these are generally categorised as follows:

1. Contract documentation anomalies and errors. Spaceworks initially contracted Lincoln Scott as the design consultants for hydraulic, electrical and mechanical services. However this firm were taken over by WSP. There were significant staff changes in these two



firms, the result of which was no staff had an ongoing knowledge of the project. The errors were numerous, although many of a small nature, such as no power supply documented for roller doors, flashings over some windows and insufficient floor drainage.

2. Incomplete and poorly specified forward works which had to be modified or corrected. There were no funds retained in the forward works budget resulting in the building contract budget being required to fund approximately \$150,000 of remedial work. For example, the power to the site was specified as 100 amps instead of the 400 amps required, which resulted in expensive upgrades to the electrical supply. Relocation of the reticulation controller that was put in the middle for the building area rather than secured near the grassed public barbecue area. Significant portions of the fence on the retaining wall were inadequate domestic style pool fencing which was showing signs of rust and damage. It was not suitable fencing to protect people from (in parts) a 2 metre fall.
3. Specifications in the building contract were inadequate in respect to material required. For example, the structural steel in the roofing was specified to be painted, which in a highly corrosive environment near the beach is likely to have resulted in extremely costly remediation works in the future. This was changed to more expensive galvanised steel. Steel door frames were specified for external doors. Once again these would rust very quickly in this environment and needed to be aluminium - a more expensive but more durable alternative.
4. Statutory requirements such as:
 - (a) statutory building requirement for installation of additional fire exit steps to enable the building license to be issued; and
 - (b) audio loop for the hearing impaired.

The Club had not formally advised the City of any cost over runs until recently. Cost-driven tender negotiations, inadequate contract documentation, problems with the forward works contract requiring remediation and late additions to the contract scope, with the inclusion of the kiosk, resulted in a significant number of variations to achieve a building standard required for a public building in a coastal environment.

Council approved an Agreement for Lease which has been signed and a draft Lease which is yet to be signed. The draft Lease does provide for the Club to formally sub lease areas such as a kiosk. The Club has called for Expressions of Interest for a kiosk operator and negotiated a draft sub lease, the terms of which are understood to be the operator to fit out the kiosk (\$0.1m plus), a five year lease period with an option for



a further year, a rent free period of 6 months and a final market rental estimated to be \$25,000 p.a. (by 2016), plus outgoings. The current expectation by the City is that this income will come to the Club to assist in it meeting ongoing maintenance of the facility not to cross subsidise Club operations.

The new building is a significant investment by the City and will require a significant amount to be set aside for asset replacement. An indicative asset management plan has been prepared by DCWC which indicates that over the expected life of the asset an average of \$0.1m p.a. needs to be set aside.

A copy of the Club`s response to the process and reasons for overrun in the budget is attached to the agenda.

Strategic Plan/Policy Implications

Infrastructure

- Community facilities that meet the diverse needs of the community now and into the future.
- Community infrastructure that is well planned, managed, safe, functional, sustainable and aesthetically pleasing.
- Partnerships that help provide community infrastructure.

Community & Lifestyle

- People of all ages and abilities to have equal access to our facilities and services in our communities.
- Promotion of active and healthy communities.

Budget/Financial Implications

Council at its meeting of 12 May 2012 allocated the sum of \$6.5m for the construction of Stage 2 of the Coogee Beach Surf and Multi-functional Community Facility. These funds were comprised of \$5.25m from the Municipal Fund (inclusive of prefunding \$2.4m from future developer contributions) with the balance of \$1.25m coming from grants (LotteryWest and Department of Sport and Recreation).

As at 12 June 2013 the estimated final construction cost for the building Tender is \$7.26m, claimed (and anticipated) variations (the City is accepting the claims in total for the purposes of this item but will endeavour to reduce the cost of the variation claim with the assistance of the quantity surveyor/project superintendent), retention monies and fees for architects, engineers and quantity surveyors.



The agreement to lease requires the Club to be responsible for the cost of the fit out for which they advise they have \$300,000 in cash. In addition they have gained in kind donations of gymnasium equipment (\$85,000) kitchen equipment (75,000), racks and cabinetry (\$25,000) and miscellaneous in kind (\$15,000).

The salient issue for the Council is how to fund the cost overrun. Two options are:

1. Renegotiate the lease agreement with the Club to repay the City part or all of the cost overruns through a self-supporting loan taken out by the City to be repaid by the Club. This option could put severe financial strain on the Club. This would be financially unrealistic should the Club also be required to set aside funds to a sinking fund. The City could take over the lease of the kiosk as an income source to assist it recovering its investment. On the figures provided by the Club this would generate a modest indicative income of \$25,000 per annum and take approximately twenty five years to repay the loan.
2. Council could draw the funds as follows:
 - 2012/13 – Increase the capital budget by \$165,379.31 from budget surplus
 - 2013/14 – Allocate \$430,001.16 from the capital contingency (\$300,000), Artwork for the facility (\$50,000), increase the prefunding from the developer contribution scheme (DCA13) \$80,001.16 (due to increase size/cost of project - Adjustment can be made this year for approval through the WA Planning Commission)
 - 2014/15 – Allocate \$156,163.37 from the 2014/15 municipal budget to fund the final retention payment to the builder.
 - The above totals \$751,543.84, being the funds required to complete the project.

Legal Implications

The Club has contractual arrangements between itself and the builder (Pindan) and the Architect (Spaceworks). In turn, the City has a commitment in the form of an Agreement to Lease between itself and the Club to fund the project building works for the total sum of \$6.5m which will be required to be amended to reflect the increased cost of \$7.263M.

Community Consultation

N/A



Attachment(s)

1. Submission from the Coogee Beach Surf Life Saving Club on the project and the cost overrun.
2. Construction pricing schedule, including escalations and pending variations.
3. Depreciation schedule for the building (provided to Elected Members under confidential cover).

Advice to Proponent(s)/Submissioners

The Coogee Beach Surf Life Saving Club have been advised that this matter is to be considered at the 13 June 2013 Council Meeting.

Implications of Section 3.18(3) Local Government Act, 1995

Nil.

22. MATTERS TO BE NOTED FOR INVESTIGATION, WITHOUT DEBATE

Nil

23. CONFIDENTIAL BUSINESS

Nil

24. (MINUTE NO 5076) (OCM 13/06/2013) - RESOLUTION OF COMPLIANCE (SECTION 3.18(3), LOCAL GOVERNMENT ACT 1995)**RECOMMENDATION**

That Council is satisfied that resolutions carried at this Meeting and applicable to items concerning Council provided services and facilities, are:-

- (1) integrated and co-ordinated, so far as practicable, with any provided by the Commonwealth, the State or any public body;
- (2) not duplicated, to an extent Council considers inappropriate, services or facilities as provided by the Commonwealth, the State or any other body or person, whether public or private; and
- (3) managed efficiently and effectively.



COUNCIL DECISION

MOVED Cllr C Reeve-Fowkes SECONDED Cllr V Oliver the recommendation be adopted.

CARRIED 7/0

25 (OCM 13/06/2013) - CLOSURE OF MEETING

8.48 pm.

CONFIRMATION OF MINUTES

I, (Presiding Member) declare that these minutes have been confirmed as a true and accurate record of the meeting.

Signed: Date:/...../.....

