



## **MINUTES**

### **ORDINARY COUNCIL MEETING**

**COUNCIL CHAMBERS  
241 ROKEBY ROAD, SUBIACO**

**TUESDAY, 29 JUNE 2010**

**COMMENCEMENT: 5.30PM  
CLOSURE: 6.34PM**

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\* Separate attachments

## 1. DECLARATION OF OPENING

The Presiding Member declared the meeting open at 5.32pm and welcomed the councillors, media and public.

## 2. ATTENDANCE / APOLOGIES / LEAVE OF ABSENCE

The following Elected Members were present:

Mayor Heather Henderson (Presiding Member)  
Councillor Clements  
Councillor Hewett  
Councillor Jacobsen  
Councillor Lauder  
Councillor Rowe  
Councillor Arbuckle (arrived at 5.36pm)  
Councillor Turnbull  
Councillor Wells  
Councillor White  
Councillor Hemsley

Councillors Gedero and Riccelli were on approved leave of absence.

The following staff members were present:

Stephen Tindale, Chief Executive Officer  
Scott Hawkins, Director Corporate Services  
Alan Millard, Director Technical Services  
Helen Liedel, Director Community Services  
Patrick Ferguson, Director Land and Property  
Kathy Bonus, Director Development Services  
Sandi Found, Minutes Secretary  
Debbie Winfield, Public Liaison Officer

Cr White left the chamber at 5.32pm

### 2.1 Leave Of Absence – Councillor White

#### **COUNCIL DECISION**

Moved Cr Rowe/seconded Cr Jacobsen

**That Cr White be granted leave of absence for all meetings of Council to be held between 1 July 2010 to 31 July 2010.**

CARRIED 9/0

5:34pm

Cr White entered the chamber at 5.35pm

### 3. DISCLOSURE OF INTEREST

#### 14.1 T12.1 No. 43-47 Bishop Street - Berrington Care Group Proposal

Cr Rowe disclosed an impartiality pursuant to Regulation 11 of the Local Government (Rules of Conduct) Regulations 2007 in Item 14.1 as a person involved in the business is known by him.

### 4. RESPONSE TO PREVIOUS PUBLIC QUESTIONS TAKEN ON NOTICE

Nil

### 5. PUBLIC QUESTION TIME

Nil

Cr Arbuckle entered the Chamber 5.36pm.

### 6. PUBLIC STATEMENTS, PETITIONS AND APPROVED DEPUTATIONS

Ada De Leeuw, 33 Hensman Road, Subiaco submitted and read the following statement:

*Your electorate is not happy about your decision to demolish the skateboard facility. I have collected over 200 signatures and that was not door knocking.*

*Delay the demolition. If you do find another area to build this facility it will be like the Palms Garden. Opposition is easy and you will end up with no one wanting this facility and you will end up with no facility for our adolescents.*

*Why can't you investigate noise buffers. You had the money to fix it up. Vote about spending money to noise proof it. Just don't demolish it.*

Cr Bronwyn Tyson, Chairperson, Environmental Sustainability Committee, City of Nedlands:

*Thanked the City of Subiaco Environmental Sustainability Committee and Councillor Wells for their visit to the City of Nedlands.*

### PETITION – SKATE RAMP AT MARKET SQUARE PARK

#### **Skate Ramp at Market Square Park**

Cr Clements presented a petition from Ada De Leeuw containing 212 signatures requesting the Subiaco Council to reverse totally its decision to bulldoze the skateboard facility in Market Square or to reverse its decision to bulldoze the skateboard park until a new park has been built.

## 7. CONFIRMATION OF PREVIOUS MINUTES

### COUNCIL DECISION

Moved Cr Hewett/seconded Cr Arbuckle

**That the minutes of the Ordinary Council meeting held on Tuesday, 25 May 2010 be confirmed.**

CARRIED 11/0  
5:41pm

## 8. SUSPENSION OF STANDING ORDERS

### COUNCIL DECISION

Moved Cr White /seconded Cr Turnbull

**That standing order 9.1 “Members to Rise” be suspended to facilitate conduct of the meeting.**

CARRIED 11/0  
5:42pm

## 9. ANNOUNCEMENTS BY THE PRESIDING MEMBER WITHOUT DISCUSSION

Nil

## 10. COMMITTEE REPORTS

### 10.1 DEVELOPMENT AND COMMUNITY SERVICES COMMITTEE

The following items were determined by the Development and Community Services Committee under delegation at its meeting on Tuesday 11 May 2010:

- D4 10/531 Hay Street, Subiaco – Retrospective Development Approval for the Creation of a New Internal Stage Area, Alfresco Area and External Alterations for the Ess Bar
- D5 343 Railway Road, Shenton Park – Change of Use from Workshop to Showroom (Change of Non-Conforming Use)
- D6 77 Olive Street, Subiaco – Single Storey Additions to the Existing Dwelling and Construction of a Detached Garage

**ENBLOC DECISION**

Moved Cr Turnbull/seconded Cr Hewett

**That the recommendations relating to D1 to D3 and D7 contained in the minutes of the Development and Community Services Committee meeting held on 15 June 2010 be adopted.**

CARRIED 11/0

5:44pm

## **D1 CLOSED CIRCUIT TELEVISION (CCTV) IN SUBIACO CBD FEASIBILITY STUDY FINDINGS**

Prepared by: Janette Spencer, Manager Community Development  
 Supervised by: Helen Liedel, Director Community Development  
 Date: 31 May 2010  
 File ref: A/1219  
 Voting requirements: Simple - more than half elected members present required vote in favour

**STAFF/COMMITTEE RECOMMENDATION/COUNCIL DECISION**

Moved Cr Turnbull/seconded Cr Hewett

**That council does not proceed with implementation of Closed Circuit Television (CCTV) at this point in time.**

CARRIED 11/0

5:44pm

Background

In December 2008 council resolved to undertake a CCTV feasibility study into the possibility of installing a CCTV system in the Subiaco CBD.

In December 2008 council resolved the following:

- “1. *That the CEO conduct a feasibility study and current costing of the installation of adequate CCTV security camera coverage for the following areas:*
  - a) *Rokeby Road from Forrest Walk to Llama Bar on both sides of the road.*
  - b) *Hay Street from Rowland Street to the eastern end of the Subiaco Hotel Car Park on both sides of the road.*
2. *The costing to allow for options of upgradability, recording memory and with/without monitoring.”*

The feasibility study was initiated on 1 December 2009 by Campbell & Campbell Security Consultants and was completed on 29 April 2010.

The purpose of the feasibility report is to provide council with an indication of the risks, issues and costs associated with a CCTV system and to assist Elected Members and key staff to become fully informed about CCTV before committing significant funds for a CCTV system in the Subiaco CBD.

CCTV has been previously considered by council in 2005 and 2007 as follows.

At the April 2005 round of meetings council resolved:

*“5. That the city take steps to determine if it can monitor the effectiveness of systems installed by Transperth at the four railway stations for a period of six months and report back to council at the November 2005 meeting.”*

At the same time the report was prepared, the State Government was in the process of installing CCTV at each railway station on the metropolitan railway network.

At the November 2005 round of meetings council resolved:

*“That this report be referred to the Community Safety Advisory Committee and a further assessment of CCTV at local railway stations be undertaken at the end of 2006 and the results reported to council.”*

In September 2005, the Public Transport Authority provided the city with information on the number and type of recorded incidents at Subiaco, Daglish, Shenton Park, and West Leederville train stations in 2004 and 2005 – that is, pre and post installation of CCTV. Analysis of the statistics indicated that although CCTV was a valuable tool, it primarily enabled a quick response to incidents rather than prevention.

At the February 2007 round of meetings council resolved:

*“That the Public Transport Authority be requested to provide quarterly updates of offences at railway stations to the City of Subiaco for consideration by the Community Safety Advisory Committee.”*

A further assessment of CCTV at local railway stations was undertaken and offence statistics from 2004 – 2006 were provided to the city by the Public Transport Authority. The statistics from 2004 to 2006 indicated that CCTV had little impact on levels of crime. It was again noted that CCTV primarily assisted with quicker response to incidents rather than prevention.

Current offence data (March 2009 to March 2010) about recorded crimes committed within the city reflect similar trends to data presented to council in previous reports. This data indicates that the majority of offences are of the less serious type (not against persons) i.e. theft, burglary and damage, and most of these crimes occur inside premises. The more serious category of assaults is relatively small in number and mostly occurs within licensed premises.

In a previous report to council in 2009, Superintendent Duane Bell of the Central Metropolitan district informed the city of the following:

- Compared to other entertainment precincts the level of offences in Subiaco is generally low;
- Police are generally pleased with the level of cooperation from licensed premises in the city;
- Offences are significantly low given the huge influx of people for events in the City of Subiaco; and
- There are strategies in place to address offences in the entertainment precinct and these are generally working well.



The type of crimes occurring in the vicinity of, and inside licensed premises, comes under jurisdiction of the police and Liquor Licensing branch of Department of Racing, Gaming and Liquor. However, the city has a number of strategies in place to prevent crime, anti-social behaviour and address liquor licensing including:

- Liquor Licensing Policy - The policy aims to achieve the state government objective of creating smaller liquor licensed venues as opposed to large drinking venues. The city has taken this a step further and developed specific criteria whereby a concentration of licensed premises cannot occur.
- Licensed Premises Working Group – The Licensed Premises Working Group consists of city staff, local police and managers/owners of licensed premises in the Municipality. The group meets quarterly to discuss issue relating to transport, waste and queue management, compliance and venue management, anti-social behaviour and initiatives.
- Community education sessions - The city provides free education sessions to the community on a monthly basis. The education sessions cover subjects relating to safety and security e.g. party safe information for parents, leavers' sessions for teenagers, women's self-defence and bullying prevention to name a few.
- Community Safety and Crime Prevention Plan – The city is currently reviewing the Community Safety and Crime Prevention Plan. The review will assess the need of the community to keep projects and programs current. As part of the review recent crime data will be analysed and new initiatives developed to address key areas of crimes.
- Alcohol Management Plan – The city is currently developing an Alcohol Management Plan internally in order for departments and staff to have guidelines to follow when dealing with issues relating to alcohol and alcohol consumption.
- Secure Taxi Rank – The city has recently secured a grant from the Department of Transport to trial a secure taxi rank for 12 months in the Subiaco CBD. This project will help patrons to get home in a safe and orderly manner at night. The rank will be staffed and there will be security cameras trained on the queue.
- Initiatives with neighbouring councils – As part of the Western Suburbs Safety Officer group, the city runs joint initiatives with nearby councils focusing on safety and prevention of crime e.g. car theft, burglaries and crime prevention education for businesses.

Crime statistics indicate that the City of Subiaco has relatively low levels of crime compared to other areas in the Perth Metropolitan area. However, local media reports of crime can create perceptions that crime is increasing in the community. It is important to ensure that actual levels of crime versus perceived levels of crime are considered when discussing CCTV.

### Comment

#### *Feasibility Study findings*

Campbell & Campbell believe it is feasible to install CCTV in the Subiaco CBD for the following reasons;

- Installation of CCTV in the Subiaco CBD will be welcomed by the local business community and WA Police;
- CCTV could further the city's partnership with the WA Police and the local business community;
- Recorded CCTV can be a valuable tool for police when investigating incidents and could help identification of individuals, if the CCTV technology meets police identification standards; and

- CCTV could enhance the feeling of safety in the Subiaco CBD and further the perception among people that Subiaco is a safe place.

The consultants identified that a CCTV system is not a “magic bullet” that will solve and/or remove crime and anti social behaviour. However, they concluded that CCTV be considered as being implemented as an active element of the city’s 2006 “Community and Safety Crime Prevention Strategy” and would be a valuable tool to the city to assist in mitigating the risks and threats described during interviews by the Subiaco police office as currently applying to the area in question.

Although the consultant found the instalment of CCTV feasible, the city feels that the feasibility study lacks a cost benefit analysis which discusses the value and effectiveness of CCTV to the community.

The capital and ongoing costs for a CCTV system are substantial; the consultant’s estimated minimum capital cost alone is \$694,000. Of this, \$150,000 would comprise the backbone communications to connect the solution to the city’s administration centre.

Research into the effectiveness of CCTV as a crime prevention tool in public places has shown mixed result, with some case studies suggesting that CCTV has reduced crime levels, whilst others suggest no improvements in crime figures or that crime has even increased. In the cases where CCTV has reduced crime, it has mainly been in car parks and areas not comparable to the Subiaco CBD. These studies also imply that other crime preventative initiatives implemented along with the CCTV had more impact than the actual CCTV, e.g. security patrols.

If the intended reason for installing CCTV in the Subiaco CBD is to deter and relocate crime from the area, the value of CCTV is questionable. Evaluations of CCTV installations in similar locations around the world have shown very little to no impact on violent crime and anti-social behaviour related to alcohol consumption, as these types of crimes are rarely planned and people often lack self-control under the influence.

Installing CCTV is more likely to increase people’s perception of safety than to decrease and relocate crime. However, installing a CCTV system could create a false sense of security, especially if the CCTV is not monitored full-time as this can conflict with community perception and affect the community’s sense of security.

#### *Infrastructure implications*

If CCTV is to be installed, the city will have to tender for a knowledgeable consultant to coordinate the installation, as this is beyond the expertise of city staff.

To be able to install a functional up-to-standard system that will provide usable images, the city will have to upgrade the lighting in the area. As part of the feasibility study Campbell & Campbell undertook an illumination audit of the area, which indicated that the city’s lighting is below Australian standards. The lighting needs to be upgraded in order to comply with Australian standards prior to the instalment of the CCTV to produce usable images.

The cameras are to be mounted in such a way that they can cover a large area. This means they have to be installed within reach to the public which will make them more vulnerable to vandalism. Vandalism to the cameras could be anticipated and needs to be considered in the budget each year if CCTV is to be installed.

Results from Campbell & Campbell's consultation with the business community showed that businesses in the CBD area wanted to partner with the city and would consider sharing information and images, cameras and infrastructure.

### Consultation

The consultant carried out a comprehensive consultation as part of the study which included consultation with the following;

- Subiaco Police
- Office of Crime Prevention
- Public Transport Authority
- Subiaco Council Staff
- Subiaco Business community
- Property owners in Subiaco CBD
- Local community.

### Statutory and policy considerations

#### *Subiaco Community Safety and Crime Prevention Strategy*

Strategic actions have been developed to address the key safety and crime prevention issues for the city. These actions are grouped under the city's Community Safety and Crime Prevention policy objectives:

1. To contribute to a safe physical environment
2. To work with key organisations to plan and implement community safety and crime prevention actions
3. To promote community awareness and understanding of community safety and crime prevention
4. To foster community development to create links and resources within the community.

### *Legislation*

CCTV will record images of people and places. Several laws exist locally and nationally that may impact the extent to which such potentially private information can be legally recorded. Breach of some legislation may incur significant penalties. Consideration of all applicable law is vital.

A determination of the extent to which CCTV can legally be used may affect decision-making regarding which CCTV system to install, location of cameras and signs and development of policies and procedures.

Currently Western Australia does not have a Privacy Act. The use of surveillance is regulated by the "*Surveillance Device Act 1998 (WA)*" which prohibits the recording of "private activity".

If CCTV is to be installed there are a number of legislative acts, Australian standards and regulations that have to be considered and met.

### Strategic implications

The CCTV feasibility report relates to Strategic Management Plan Goal 1:

*"A Diverse and Desirable City. A vibrant, liveable, safe and accessible city, at the forefront of current design, making it a desirable place for people to live, work, visit and play"; and*

Action 1.1 “Ensure the city’s infrastructure is accessible to all people and meets the well-being and safety needs”.

### Financial, social and environmental implications

#### *Financial implications*

The costs associated with installing a CCTV system are substantial. The minimum capital cost for installation is estimated to \$694,000. The capital cost excludes the cost for a control room and annual cost for monitoring and maintenance.

<b>Breakdown of capital costs</b>	
Dedicated Fibre infrastructure	\$150,000
Supplementary lighting	\$85,000
Dedicated fixed cameras	124,000
Wireless link equipment	\$80,000
Business terminal equipment and cameras	\$40,000
Back end servers and storage	\$65,000
UPS systems for control equipment	\$15,000
Prime contractor	\$100,000
Staff training	\$35,000
<b>Total</b>	<b>\$694,000</b>

In addition to capital costs for the CCTV system, a cost for a control room or a contract for outsourced monitoring will apply.

<b>Annual capital costs for monitoring</b>	
Local control room infrastructure	\$35,000
Subcontract control room infrastructure	\$50,000

The feasibility report outlined four different options available to the city for monitoring of the CCTV system.

<b>Ongoing annual monitoring costs</b>	
1. Local 24 hr monitoring	\$350,000
2. Subcontracted 24 hr monitoring	\$264,072
3. Local Friday/Saturday night monitoring	\$29,000
4. Subcontracted Friday/Saturday night monitoring	\$50,000

An annual maintenance contract for the CCTV system is estimated to be \$18,000 per annum.

In addition to the capital, monitoring and annual maintenance costs, the city would need to recruit a number of new staff to manage the system. Staff resources will be required:

- To monitor the CCTV if council decides to monitor in-house;
- To set up a code of practice for staff monitoring the CCTV, storage of footage as well as standard operating procedures;
- To develop a policy and procedure for how and when footage is to be used, who to share footage with and who will have access to the recorded data; and

- To sift through footage (if monitored internally) on request from the Police, or other stakeholder under agreement.

#### *Social and Political implications*

Installing CCTV could lead to certain expectations in the community, e.g. that offence rates will decrease. Strategies to manage community expectations need to be developed, as a decrease in recorded offences cannot be guaranteed by the city or WA Police. If CCTV is installed, the city will have to undertake community education to address some of the issues.

As a decrease in crime and anti-social behaviour is unlikely, media reports on incidents occurring in the monitored area may create questions regarding the effectiveness of CCTV, and the justification about spending a significant amount of ratepayer's money on an ineffective system.

Equity needs to be considered when installing cameras in the Subiaco CBD. The justification needs to be clear to the community why council has chosen this particular area. There may be pressure in the future from the community to expand the CCTV system to other areas in the city.

Installing a CCTV system may lead to the perception that the city is taking on a policing role and the community may not feel as obliged to report incidents to the Police as the city is monitoring the streets.

#### *Environmental implications*

Should CCTV be installed along Rokeby Road there may be a need to address the extensive tree canopies due to their impact on street illumination.

#### Attachments

1. Campbell & Campbell Feasibility Study 2010

**D2 ECONOMIC DEVELOPMENT REVIEW**

Prepared by: Janette Spencer, Manager Community Development  
 Supervised by: Helen Liedel, Director Community Development  
 Date: 23 May 2010  
 File ref: A/1053-03  
 Voting requirements: Simple - more than half elected members present required to vote in favour

**COMMITTEE RECOMMENDATION/COUNCIL DECISION**

Moved Cr Turnbull/seconded Cr Hewett

**That council endorse:**

1. **The development of ongoing marketing and branding strategies for the City of Subiaco that complement the work carried out by Pro Subi Ltd from time to time to create a synergistic approach to the city's promotion.**
2. **To work with Pro Subi Ltd, the Subiaco Business Association, and the greater community to develop a Subiaco Improvement Model (SIM) strategy including:**
  - a. **investigation of the expansion of CBD levy area; and**
  - b. **applicability of a differential rate with assessment of the implications to all parties concerned , including Prosubi's current budget for the CBD, and the impost on the individual contributors.**

CARRIED 11/0  
5:44pm

**STAFF RECOMMENDATION**

That council endorse:

1. Development of a marketing strategy for the City of Subiaco;
2. Development of a Subiaco Improvement Model (SIM) strategy including:
  - a. investigation of the expansion of CBD levy area; and
  - b. applicability of a differential rate.

**AMENDMENT**

1. The development of ongoing marketing and branding strategies for the City of Subiaco that complement the work carried out by Pro Subi Ltd from time to time to create a synergistic approach to the city's promotion.
2. To work with Pro Subi Ltd, the Subiaco Business Association, and the greater community to develop a Subiaco Improvement Model (SIM) strategy including:
  - a. investigation of the expansion of CBD levy area; and
  - b. applicability of a differential rate with assessment of the implications to all parties concerned , including Prosubi's current budget for the CBD, and the impost on the individual contributors.

**Background**

On 26 May 2009 council resolved:

*That a review of the city's marketing and promotional activities in the CBD and the role of Pro Subi in undertaking this be reviewed.*

The city commissioned Paul Cherednichenko, Consultant, to undertake a review of the city's marketing and promotional activities in the Central Business District (CBD) and its role within the broader economic development strategy. The over-arching goal of the

review was to assist in setting the direction the city wants to take in marketing and promotion and in managing economic development for the next five years.

During the past four years the city's Economic Development Strategy (EDS) 2005-2009 has provided guidance and direction for economic development within the city.

More recently, the city's new Strategic Management Plan, which was endorsed by council on 22<sup>nd</sup> September 2009, has provided further direction for economic development. Within this plan there are a number of actions that have implications for a marketing and promotional plan and the EDS.

The purpose of this report is to provide information as to the future direction of the economic development portfolio.

### Comment

The Objectives of the Review were:

1. Provide a clear direction for the sustainable marketing/promotion and economic development and provide direction on the strategy that optimises the city's potential over the next three to five years.
2. Provide an overview of the operation of Pro Subi including marketing, governance, membership and constitution.
3. Provide options on different models, such as "Mainstreet" or "BID" models, that could be implemented in the city.
4. Provide a focus on optimising the delivery of marketing and promotional services to the businesses (not just the CBD) of Subiaco, council and the community.
5. Put into context the role of "business development" within economic development.
6. Clarify the role of the Senior Project Officer - Economic Development.
- 7.

The review methodology was:

1. Online survey to Pro Subi members and Subiaco Business Association members (76 respondents);
2. Interviews with key stakeholders (25);
3. Analysis of city documents; and
4. Desktop review.

Following completion of the Economic Development Review (EDR), a discussion paper was presented to the Economic and Business Sustainability Committee (E&BSC), Pro Subi and Subiaco Business Association (SBA). Feedback was received from all parties which was generally supportive of the findings and issues raised with some minor items to be clarified. This feedback is in Attachments 2, 3 and 4.

The findings of the Review have highlighted that a number of issues need to be worked through to bring about an integrated and comprehensive city approach to marketing, promotion and economic development. The central issues are discussed below:

#### **1. Relationships Between Key Parties**

The Review identified that relationships are positive between Pro Subi, SBA, E&BSC, city staff and elected members. There is goodwill from all parties towards creating an ideal opportunity to build together with common goals.

However, the Review did assess that next 12 to 18 months may well be a testing time as strategies, tasks and reporting relationships are reviewed. Although there is confidence in the existing city Executive to make this work, the consultant identified that

as the management of relationships in the next 12 to 18 months is a significant risk, this should be driven at a high level.

## 2. Economic Development Strategy (EDS)

Feedback from stakeholders found that there is low awareness and engagement of the Strategy. Within the city the view was held that the EDS has had a low profile, was not adopted as a cross-functional project (organisation wide) and was not considered as a core program.

The Review found that the EDS was very broad and set an immense task to fully accomplish all the actions in the strategy in a 5 year timeframe. There were numerous high level strategies put into place and a multitude of actions associated with these strategies. These tasks were all to be accomplished within a short time period and within existing resources.

The EDS is due for review and it is the city's position that a development of a new economic development strategy or model should take into account more recent initiatives and projects such as Mainstreet and the awarding of the city as a 'tourism precinct and should occur after the proposed visioning process. This resolution was passed at the council Meeting on 23 February 2010 where *council endorse the implementation of community visioning process for the development of a community plan.*" During discussion of this resolution it was noted that the process would involve engagement with businesses as a specific target group.

## 3. Subiaco Improvement Model (SIM)

The Review discussed different models for management of the CBD including Mainstreet, Business Improvement Districts (BIDs) and a Subiaco Improvement Model with its genesis in a Mainstreet program. The Review proposed that the work currently underway for Mainstreet related activities could be utilised to support the development of a SIM. A comparison of the models is outlined below.

	<b>Mainstreet Australia</b>	<b>Business Improvement Model (BID) USA</b>	<b>Subiaco Improvement Model</b>
<b>Focus areas</b>	<ol style="list-style-type: none"> <li>1. Marketing &amp; promotion</li> <li>2. Business development</li> <li>3. Physical environment</li> </ol>	<ol style="list-style-type: none"> <li>1. Public Safety</li> <li>2. Cleanliness</li> <li>3. Transport and parking</li> <li>4. Parks and open space</li> <li>5. Promotion and events (marketing)</li> </ol>	<ol style="list-style-type: none"> <li>1. Brand identity</li> <li>2. Development of special events</li> <li>3. Activity centre hierarchy</li> <li>4. Retail/business strategy</li> <li>5. Infrastructure/streetscape</li> <li>6. Access/parking</li> </ol>
<b>Governance</b>	Generally led by local government but strong support by business community.	Formed by land owners.	Strong organisational body
<b>Legislation</b>	Local Govt Act (not essential)	Independent incorporated body (no specific legislation required)	Local Govt Act
<b>Funding</b>	Principally through prescribed or differential rates (cannot borrow or issue debentures)	Voluntary levy (can raise funds through debentures and borrowings)	Differential rate



The consultant formed the opinion that the city could integrate in a holistic way the base Mainstreet model and expand to a Subiaco Improvement Model. This would provide the city with the opportunity to be one of the first councils in Australia to develop a “BID” or a particular model that is unique to Subiaco (SIM model).

The following elements were identified as needing to be incorporated in the development of a SIM:

- Utilising the city’s Strategic Management Plan as the over-arching plan;
- Establishing cross-functional teams to drive outcomes;
- Utilising the Mainstreet program outcomes to develop a retail/business strategy that incorporates the smaller centres;
- Building and maintaining a database profiling retail and business users of Subiaco;
- Reaching agreement by key parties on definitions; and
- Development of the CBD (Mainstreet) strategy under the framework of the State Government’s discussion paper on activity centres - 2031 land use and commercial development.

#### **4. Marketing of CBD**

The city markets the CBD through a model that has had two key elements:

1. A specified area rate to fund the work; and
2. The establishment of Pro Subi as the city’s agent to undertake the work.

At a council meeting on 26 May 1998, it was resolved to adopt the following:

*“OC512.1 Council agree as part of the 1998/1999 Council Budget to the raising of a Special Area Rate of 1.04 cents in the dollar on all rateable land within the Central Business District (as defined in the map included as attachment 1 to the council Report) which is not designated Residential by the State Valuer General.*

*OC512.2 Council agree that all monies raised from the Special Area Rate be placed in a Reserve Fund, the purpose of which is to fund the Marketing, Promotion and Business Development of the Central Business District including the administration of the Fund and any organisation established to administer the Fund.”*

Section 6.37 of the Local Government Act (1995) provides the authority for the city to apply a specified levy to a designated CBD area. This area has been extended once since the original decision. At the ordinary council meeting of 10 June 2003, council resolved to include Hay Street, York Street and Churchill Avenue, between Axon Street and Townshend Road and Subiaco Square in the rateable area.

Pro Subi was established to be the marketing arm of the city in respect of the CBD. The initial Pro Subi AGM was held on 26<sup>th</sup> October 1998. One of the objects of Pro Subi, as stated in their Constitution, is:

*“To supervise, advance, promote and protect the trading and interests of the members of the Company, within the Central Business District of the City of Subiaco in the State of Western Australia as defined from time to time by the council of the City of Subiaco”*

The relationship and accountability between the city and Pro Subi is outlined in the Agreement which was signed in 2000.

The Review identified two key issues with the marketing of the CBD:

- a. The current Pro Subi advertising program (SuBi) appears to be a campaign that brands the city not just the CBD businesses; and
- b. The current model that the city utilises for marketing and promotion of the CBD, that is a contractual arrangement with Pro Subi, a specified rate levy and a designated area in the CBD, has a number of issues.

In relation to the first point, the strong branding campaign by Pro Subi has created a halo effect on the rest of the city. However, this impact is occurring without an analysis of the long-term implications of the strategy and positioning of Subiaco.

Although Pro Subi undertakes advertising and promotional campaigns aimed at benefiting the businesses mainly in the close proximity of Hay and Rokeby roads, the campaigns and the name Pro Subi (and “Subi”) has wider implications.

The Review found that this impact was even more powerful as the city does not currently have a strong external focus in its current marketing program. The city’s program is primarily based on the organisation style and corporate feel rather than an external, broad focus of attracting wider visitation to Subiaco.

The Review highlighted the need to resolve the issue of whether to market the CBD or the city or both and identified four possible options for marketing the Subiaco brand.

	<b>Approach</b>	<b>Risk*</b>
<b>Option One</b>	Pro Subi undertaking marketing of CBD acknowledging the knock-on effect. Would require stronger governance, accountability and communication structures between Pro Subi and the city.	Medium to city finances and reputation as the city would have accountability only through an Agreement. This is mitigated by the focus limited to the CBD area.
<b>Option Two</b>	Pro Subi undertaking marketing of all of Subiaco brand with significantly stronger governance, accountability and communication structures between pro Subi and the city.	High to city finances and reputation as the city has less control and ownership of the processes and the scope of the impact is across the whole of the city. This can be mitigated by level of experience, expertise and internal resources of the contracted service provider.
<b>Option Three</b>	The city manages in-house marketing of both CBD and broader Subiaco brand. Would require stronger capacity within city.	Low to city finances and reputation as all processes managed in-house so city has full accountability.
<b>Option Four</b>	City sets marketing strategy and outsources specific actions to specialised experts (e.g. advertising and event management companies).	Low to city finances and reputation as parameters are set by the city and external services are managed by experts in their fields.

\*Risk is assessed as the level of impact on the city’s finances and reputation and is gauged by the level of involvement and control the city in the processes and the governance and reporting mechanisms in place to manage the proposed actions.

In relation to the second point, Pro Subi is a not for profit company with a governing Board. The Constitution stipulates that the Board must comprise one member from a rateable property, two tenant retailers employing less than five employees, one tenant retailer employing more than four but less than ten employees, one tenant retailer employing ten or more employees, one proprietor of a professional business and one proprietor or manager of a service business.

The Board members are in fact volunteers as they donate their time and expertise to be involved. Board membership term is for one year although many members remain longer as they can be voted back on the committee at each AGM.

The Review found that, probably due to the voluntary nature and turnover of committee members, there is not always a full appreciation the responsibilities of good governance. In addition, the city has not always been clear on the objectives and outcomes it would like to see from the Pro Subi marketing program as well as its own marketing programs. One of the justifiable criticisms that could be levied against the city is that Pro Subi has had to operate without any clear direction from the city.

There appears to be a lack of understanding by key parties and the community about the city's intentions in relation to the marketing and promotion as well as the broader economic development direction.

The lack of a cohesive marketing and promotion of the CBD is a risk to the city due to the high visibility of the program and the level of expenditure involved.

#### *Pro Subi Agreement with the City and Program Activities*

Pro Subi has undertaken many marketing and promotional activities over the past 12 years. City records show that Pro Subi's initial work was focused around events including the Street Festival, Food and Fashion Festival and Jazz Festival. In 2002 this had expanded to include school holiday entertainment, a regular newsletter, print advertising features and other promotional events such as a Mother's day competition.

The Review identified a number of areas that required tightening up of the arrangement between the city and Pro Subi in relation to the program of activities and events. At times there has been wide discrepancy between the committee members of Pro Subi and key city officers in the role of Pro Subi delivering a marketing program for the Subiaco CBD.

Significantly, the agreement and reporting arrangement between Pro Subi and city have not been reviewed since its initial establishment.

The Review identified the need for the city to develop a new agreement with Pro Subi that had clearer and accountable goals and activities for a three to five year period. In addition, funding and reporting timelines needed to be tighter, that is, payment of funds to Pro Subi and the production of quarterly financial and marketing reports.

It should be noted that Pro Subi undertook its own strategic review in August 2009. A copy of this paper is in Attachment 5. The Pro Subi Board responded to the recommendations of this review by developing a Working Paper (Attachment 6). This Working Paper was presented to the city in November 2009. The paper identified the need to work through the clarity of roles, boundaries and any gaps in the expectations between Pro Subi and the city (page 5).

Areas of difference between Pro Subi and the city also identified in this paper are:

- The view held by Pro Subi that the “*perception that the City of Subiaco funds Pro Subi, the choice of terminology from the organisation's view is that this may be seen as misleading. Pro Subi is funded by rate payers of commercial properties. The City of Subiaco's role is to facilitate the collection of these monies on the organisations' behalf.*” and
- The role of the city on the Pro Subi board as it is Pro Subi’s view that “*the city has no role on the board, other than as an observer.*”

These points of difference have been the focus of discussions between city staff and Pro Subi and are being worked through.

## 5. Parking

A consistent and significant theme that emerged during the Review was the perception about a lack of parking and a view that this has not been dealt with properly.

In respect of the issue of parking, on 23 June 2009 council resolved:

*“That the CEO commence the feasibility of the proposed development of the Rowland St, Forrest St Council Car Park“*

This feasibility study has been completed and a report on this development is listed for the Corporate and Technical Services Committee agenda on 20 July 2010. The outcome of this matter may in part resolve some of the concerns regarding parking availability in the CBD.

### Summary

The Review has highlighted the need:

- To develop a new Agreement between the city and Pro Subi that more clearly articulates the reporting and accountability mechanisms between the two organisations;
- For Pro Subi to review its constitution;
- For the city to develop its own marketing strategy for the whole city with the marketing of the CBD sitting underneath this framework;
- The development of new model for managing the CBD that incorporates a strategy for marketing and promotion;
- An examination of the option of a differential rate; and
- An examination of the current boundaries of the designated levy area.

Actions have commenced in addressing some of the issues raised by the Review. At the council meeting on 28 April 2010, it was resolved that

*“That council endorse the development of a new agreement between Pro Subi and the City of Subiaco”; and*

*“That the city work with Pro Subi and report to council on the benefits and working practicalities of a specified area rate that more closely represents Subiaco’s expanding CBD area.”*

It was also noted at this meeting that Pro Subi intend to amend their constitution including changes to the membership of their Board.

To progress further resolution of the issues raised, it is recommended that the city:

1. Develop a marketing strategy which will then provide the overarching framework for marketing of the CBD.
2. Develop a SIM that would also include examination of:

- a. differential rate as this may well offer more potential to support a contemporary model for economic development and promotion of the CBD; and
- b. expansion of the current CBD area.

### Consultation

The Review undertook a consultation process with key stakeholders including Pro Subi and the Subiaco Business Association board and membership, city staff, council and members of the Economic and Business Sustainability Committee.

### Statutory and policy considerations

The Local Government Act (1995) stipulates how a specified rate may be applied.

### Strategic implications

This report links to Goal 3 in the city's Strategic Management Plan:

“A prosperous Community - a thriving community where the prosperity of our businesses, residents and institutions is maintained and enhanced.”

It is also linked to:

- Strategy 3.1 Engage with local business to build a more prosperous economic environment
- Action 3.1.1 Proceed with a Mainstreet Strategy and develop an inner city commercial streetscape that is sympathetic to that outcome.

### Financial, social and environmental implications

Financial implications of a Subiaco Improvement Model will not be known until details of the model are developed.

There are no social or environmental considerations.

### Attachments

1. Economic Development Review (titled 'Marketing and Promotion and Economic Development – New Directions') Issues Paper
2. Feedback from Pro Subi
3. Feedback from SBA
4. Feedback for Economic and Business Sustainability Committee
5. Pro Subi Strategic Review August 2009 (Confidential)
6. Pro Subi Working Paper (Confidential)

**D3 TENDER HOME AND COMMUNITY CARE SERVICES**

Prepared by: Deb Wilkes, Manager Community Services  
 Supervised by: Helen Liedel, Director Community Development  
 Date: 31 May 2010  
 File ref: A/2252  
 Voting requirements: Simple - more than half elected members present required to vote in favour

**STAFF/COMMITTEE RECOMMENDATION/COUNCIL DECISION**

Moved Cr Turnbull/seconded Cr Hewett

**That the following service providers be appointed to the panel of home support services**

- a) **Carenet**
  - Domestic Assistance
  - Social Support
  - Respite
  - Personal care
- b) **The Carers**
  - Domestic Assistance
  - Social Support
  - Respite
  - Personal care
- c) **Hendercare**
  - Domestic Assistance
  - Social Support
  - Respite
  - Personal care
  - Home Maintenance and Gardening
- d) **Home Care Options**
  - Domestic Assistance
  - Social Support
  - Respite
  - Personal care
- e) **Home Instead**
  - Social Support
  - Respite
  - Personal care
- f) **KinCare**
  - Domestic Assistance
  - Social Support
  - Respite
  - Personal care
- g) **Nigel Shirley**
  - Home Maintenance and Gardening

Cont'd/

- h) Stanhope**
- a. Domestic Assistance**
  - b. Social Support**
  - c. Respite**
  - d. Personal care**
- i) Tilley's**
- a. Home Maintenance and Gardening**
- j) Whiteoak**
- a. Domestic Assistance**
  - b. Social Support**
  - c. Respite**
  - d. Personal care**
  - e. Home Maintenance and Gardening**

CARRIED 11/0

5:44pm

### Background

Subiaco Community Care currently engages eight service providers for the supply of a range of home support services to residents. These services are predominantly delivered to clients in the home; some tasks, such as shopping and social support require services to be delivered outside the home. The recipients of these services are the frail aged, younger people with disabilities and their respective carers who, with the provision of these services, are able to remain living in their own home to their optimal level of independence.

The eight current service providers were successful in their tender and quotation applications in 2009 and most have provided quality service to City of Subiaco residents through Subiaco Community Care since that time. These current contracts will expire on 30 June 2010.

Tenders for a panel of providers for the provision of Domestic Assistance, Social Support, Respite, Personal Care and Home Maintenance/Gardening Services from 1 July 2010 to 30 June 2014 (reviewed annually), were advertised in *The West Australian* on Saturday, 24 April 2010.

A total of fourteen tenders were received and were assessed against general compliance and specific qualitative criteria. On the basis of the above and the price submitted by each tenderer, ten service providers are assessed as being advantageous to the city.

### Comment

In response to the city's advertised tender for the supply of domestic assistance and social support, the following fourteen tenders were received:

- a) Carenet
- Domestic Assistance
  - Social Support
  - Respite
  - Personal care

- b) The Carers
  - Domestic Assistance
  - Social Support
  - Respite
  - Personal care
- c) Comfort Keepers
  - Domestic Assistance
  - Social Support
  - Respite
  - Personal care
  - Home Maintenance/Gardening
- d) Elite
  - Domestic Assistance
- e) Hendercare
  - Domestic Assistance
  - Social Support
  - Respite
  - Personal care
  - Home Maintenance and Gardening
- f) Home Care Options
  - Domestic Assistance
  - Social Support
  - Respite
  - Personal care
- g) Home Instead
  - Social Support
  - Respite
  - Personal care
- h) Jim's Cleaning
  - Domestic Assistance
  - Social Support
  - Respite
  - Personal care
  - Home Maintenance and Gardening
- i) KinCare
  - Domestic Assistance
  - Social Support
  - Respite
  - Personal care
- j) Nigel Shirley
  - Home Maintenance and Gardening
- k) OC Property
  - Domestic Assistance
  - Social Support
  - Respite
  - Home Maintenance and Gardening
- l) Stanhope
  - Domestic Assistance
  - Social Support
  - Respite



- Personal care
  - Home Maintenance and Gardening
- m) Tilley's
- Home Maintenance and Gardening
- n) Whiteoak
- Domestic Assistance
  - Social Support
  - Respite
  - Personal care
  - Home Maintenance and Gardening

The tender documentation specified that tenders submitted would be checked for completeness and compliance then assessed against the selection Qualitative Criteria and value for money.

The Qualitative Criteria included:

- a) Methodology – the manner in which the contract would be carried out, including credentials of staff and continuity of personnel.
- b) Relevant experience – proven quality of work and experience of the tenderer with similar contracts including quality control mechanisms to monitor customer satisfaction.
- c) Tenderers resources – ability of the tenderer to complete the assigned workloads within specified timeframes.

A summary of the assessment against the Qualitative Criteria is shown below:

	<i>Qualitative Criteria *(Weighted scores)</i>				<i>Total</i>
	<i>Methodology (45%)</i>	<i>Relevant Experience (35%)</i>	<i>Tenderers Resources (15%)</i>	<i>Environmental Questionnaire (5%)</i>	
Carenet	45	21	7.5	5	78.5
The Carers	40.5	35	15	.5	91
Comfort Keepers	0	10.5	6	2	18.5
Elite	18	7	7.5	2	34.5
Hendercare	45	31.5	12	4	92.5
Home Care Options	45	21	12	4	82
Home Instead	31.5	28	13.5	3	76
Jim's Cleaning	0	0	0	5	5
KinCare	40.5	28	12	4	84.5
Nigel Shirley	36	28	9	2	75
OC Property	18	0	0	4	22
Stanhope	36	28	15	2.5	81.5
Tilley's	36	21	12	2.5	71.5
Whiteoak	40.5	21	13.5	4	79

A numbers of service providers who submitted tenders currently provide home care services to the City of Subiaco's Home and Community Care program. Many of these

tenders were of a high standard with competitive pricing and it is recommended these agencies (Caret, The Carers, Home Care Options, Home Instead and Nigel Shirley) be re-appointed to the panel of service providers. High quality, productive working relationships have been established with these service providers and feedback from clients indicate they are happy and satisfied with the services received from each service provider. This also allows for continuity of service provision for those residents of the City of Subiaco currently receiving services from these organisations.

Two current service providers (Tilley's and Stanhope) submitted competitive tenders but with high pricing structures. It is recommended that they be appointed to the panel of service providers in a limited capacity only, with no new clients being referred to these agencies and over time, the amount of work allocated to them reduced. This will allow for continuity of service provision for current City of Subiaco residents receiving services from these organisations, but will limit the city's exposure to the high fees being charged by these agencies. Although Stanhope submitted a price for Home Maintenance/Gardening as part of their tender (along with prices for other in-home services), that price was substantially higher than all other tenders received for that service and it is recommended that Stanhope are not appointed to the panel for the provision of Home Maintenance/Gardening services.

One current service provider (Elite) submitted a poor quality tender that, while competitive in price, does not meet the expected standards of the tender. As such it is recommended that Elite are not appointed to the panel.

In addition a number of other agencies submitted good quality tenders with competitive pricing structures. To diversify the services offered it recommended that several new service providers be appointed to the panel. Hendercare, Kincare and Whiteoak are recommended as the preferred service providers to be added to this panel.

#### Consultation

No public consultation has been undertaken for this report.

#### Statutory and policy considerations

The *Local Government Act 1995* Clause 3.57 and the *Local Government (Functions and General) Regulations (1996)*, Part 4, Clauses 11 to 24 applies to tender requirements.

#### Strategic implications

Subiaco Community Care, partly funded by the Home and Community Care Program (HACC) and managed by the city, provides vital services to the aged, people with disabilities and their carers residing in Subiaco. The fundamental aim of the service is to support local residents to live to their optimal level of ability thus enabling their ongoing independence, health and wellbeing. Subiaco Community Care also works to actively engage these clients in the wider community that is the City of Subiaco.

The appointment of these service providers to the panel for the provision of home support services will contribute to the city's strategic aims of having an engaged and connected community.

#### Financial, social and environmental implications

The services are managed by the City of Subiaco and provision of these services is part funded through an ongoing grant from the Home and Community Care Program (HACC), a State and Commonwealth Health Department initiative. The City of Subiaco has a contract with HACC for the provision of these services until 30 June 2014. A total

of almost \$3.2 million is allocated for the provision of these services over the four year period from 1 July 2010 until 30 June 2014.

The recommended panel of providers have offered fixed prices for their service delivery until 30 June 2011. Ongoing service provision with these providers will be reassessed on an annual basis based on the level of service satisfaction and the prices offered for each 12 month period. These prices represent value for money across each of the services to be provided.

#### Attachments

There are no attachments to this report.

### **D7 TENDER A/2237 GRAFFITI REMOVAL SERVICE**

Prepared by: Michael Duckett, Manager Field Services  
Supervised by: Kathy Bonus, Director Development Services  
Date: 20 May 2010  
File ref: A/2237  
Voting requirements: Normal - more than half elected members present required to vote in favour

#### **STAFF/COMMITTEE RECOMMENDATION/COUNCIL DECISION**

Moved Cr Turnbull/seconded Cr Hewett

**That tender A/2237 for graffiti removal services be awarded to FCT Surface Cleaning for a period of three years commencing 1 August 2010 and concluding 31 July 2013 at an estimated cost of \$232,200.**

CARRIED 11/0

5:44pm

#### Background

During 2004 a review of the existing graffiti removal service was conducted. The review led to the development of a tender to appoint a contractor to undertake an expanded service including free removal of graffiti from private property. The initial tender was processed commencing May 2005 for a period of two years followed by a second tender that was awarded to Graffiti Systems Australia for a period of three years to expire 30 May 2010.

In addition to removal from private property, the revised programme included a requirement for the contractor to patrol the city, detect and remove graffiti. Tender respondents were required to provide information, inclusive of costing, on how the company would provide the regular patrols, the expectation being that it would be a daily schedule Monday to Friday inclusive. The price schedule also required respondents to nominate graffiti treatments and provide a cost per square metre for each treatment. The tender set target times for removal of graffiti within 48 hours, and 24 hours for offensive graffiti. Regular inspection of hotspots, rather than waiting for graffiti to be reported is considered essential to achieving these targets.

The value of the patrols, detection and removal aspects of the programme are reflected in data that reveals of the total incidents of graffiti removed since 1 July 2006, 74% were detected and removed proactively by the contractor, that is without it being reported to the hotline.

The purpose of this report is to recommend awarding of a new contract for a three year term.

#### Detail

Tenders were advertised on 27 March 2010 and closed on 16 April 2010. Tenders were received from:

- Workzone Pty Ltd
- Graffiti Systems Australia
- FCT Surface Cleaning
- Grime Fighters
- OC Property Services
- Kleenit Group

All tenders received were compliant with the requirements of the tender specification.

Tenders were assessed against qualitative criteria as follows:

<b>Description of Qualitative Criteria</b>	<b>Weighting</b>
Relevant Experience	25%
Skills and experience of key personnel	20%
Personnel Management Practices	20%
Operation Process	15%
Demonstrated experience supplying similar services	10%
Evaluation of environmental performance	10%

<b>Respondent</b>	<b>Weighting Score</b>
Workzone Pty Ltd	83.2
Graffiti Systems Australia	83.1
FCT Surface Cleaning	75.8
Grime Fighters	63.3
OC property Services	63.3
Kleenit Group	80.2

To assess the financial aspects of the tender submissions, a financial model was established based on recent trends in removal activity. Recent trends are as follows:

2006/2007	14,052 sq. metres
2007/2008	13,235 sq. metres
2008/2009	11,750 sq. metres
2009/2010 (to 31 March 2010)	6,007 sq. metres

If the trend for 2009/2010 continues the amount removed in the current financial year is estimated at 8009 sq. metres. This data and observations from the current removal contractor confirms that the amount of graffiti has declined, an encouraging trend given that the fundamental logic of rapid removal is to discourage the activity.

The prices submitted by the respective respondents varied significantly and included variation for different treatments from paint over to removal. To determine the likely costs to the city over the three years of the contract a financial model was established based on the above trends in quantities removed.

The projected quantity to be removed over the three (3) years of the contract was set at 30,000 square metres, 60% of which was to be painted over and 40% removed. The pricing offered by the various respondents was applied to this scope of work and the resulting three year costs were determined as follows:

Workzone (Lump Sum)	\$ 351,000.00
Graffiti Systems Aust.	\$ 338,100.00
FCT Surface Cleaners	\$ 232,200.00
Grime Fighters	\$ 419,040.00
OC Property	\$ 363,964.98
Kleenit	\$ 82,500.00
Kleenit (Lump Sum)	\$ 255,000.00

Based on the weighted scores and the pricing structure above, the following tenders were eliminated at this stage:

- Grime Fighters
- OC Property Services

Further assessment was conducted of the remaining candidates:

- Workzone (Lump Sum)
- Graffiti Systems Australia
- FCT Surface Cleaners
- Kleenit
- Kleenit (Lump Sum)

For the first time two companies, Workzone and Kleenit, submitted lump sum prices, that is, an annual price to remove the graffiti regardless of the quantity that may be removed. It is suggested that this pricing option is potentially in direct conflict with the efforts being made by the city, state government policy makers and law enforcement agencies in deterring and detecting graffiti and consequently reducing the quantity applied and removed. The objective of the programme is to reduce graffiti and reduce the cost to city. In addition, the lump sum pricing structure encourages the removal of less graffiti rather than more, whereas the price per square metre structure encourages the contractor to seek out the tags and have them removed.

#### *Workzone*

Workzone presented an excellent understanding of the requirements of the tender. The Director of that company was also a principal with Graffiti Off, the company that was awarded the contract in May 2005. Workzone would do an excellent job but for the reason stated earlier about the concept of a lump sum contract is not favoured despite the advantage of the city knowing exactly what the expenditure on graffiti removal would be over the next three years of the contract.

Additionally, the lump sum offered by Workzone, which was structured to increase each year, is considerably more than the lump sum offered by Kleenit, comparable with the variable cost structure offered by Graffiti Systems Australia and in excess of the variable costs submitted by FCT Surface Cleaning. Consequently, Workzone are not recommended.

#### *Graffiti Systems Australia*

Graffiti Systems Australia is the company currently providing the service to the city. The company fully understands the requirement of the contract and have completed the scope of works to the satisfaction of the city. No reference checks were undertaken for Graffiti Systems Australia as their work is well known to the city.

Graffiti Systems Australia have a clear understanding of the city's expectation, they have a person dedicated to the city each day Monday to Friday who proactively seeks out graffiti and removes the tags without unnecessary delays. Their pricing structure is the same as previous years.

#### *FCT Surface Cleaning*

FCT Surface Cleaning (FCT) has been in existence since 1994, they have held a contract with the Department of Treasury and Finance – Building Management and Works for 15 years and recently secured the contract with the City of Wanneroo to assist with its graffiti removal programme.

The response submitted by FCT failed to commit entirely to the level of service expected by the city, in particular the level of patrolling expected. After discussion with the company it was confirmed that the price submitted would provide patrols each day, Monday to Friday inclusive.

Two reference checks were conducted from a schedule offered by FCT within their response. One from a large metropolitan local government indicated that their removal work was excellent but did express some concern about timeliness. The nature of the two services needs to be considered in this context, the proactive patrolling component of the Subiaco service and contained geographic area would mitigate any problems in this regard. The second referee indicated that the quality and responsiveness of FCT Surface Cleaners exceeded their targets.

#### *Kleenit*

The response from Kleenit is seemingly competitive, it offers a company with extensive experience and what appears to be a very low cost service. Further analysis of their offer reveals, however, that they do not acknowledge the requirement of the city's tender specification. Pivotal to the city's operation is the patrolling and the proactive removal of graffiti rather than waiting for it to be reported. Kleenit have included the following comments in the description of how they perceive the patrol system would operate, attachment 22 to the tender response:

*"All ad-hoc graffiti will be recorded and removed in one visit, the frequency and timing will be on an as required basis."*

This comment demonstrates a lack of understanding of the level of service required by the city through the tender process. Other companies have committed to regular patrols and included a cost per fortnight for this activity.

It is also noted there is a significant disparity between their lump sum offer of \$85,000 per annum compared to the rate per square metre which would compute to \$27,500 per annum, leaving the assessment team with further concerns about the respondents understanding of the service being procured by the city.

It would appear that the Kleenit response represents their customary method of operating rather than addressing the specific service requirements of the city and consequently they cannot be recommended.

In summary the selection was between Graffiti Systems Australia and FCT Surface Cleaning. Although it is known that Graffiti Systems could do the job very well and their selection would be low risk to the city, the pricing gap of \$106,000 over three years could not be overlooked and it is recommended that FCT Surface Cleaning be awarded the contract for three years to 30 June 2013.

### Consultation

There has been no public consultation undertaken for this report. Steps have been taken to make the community aware of the expanded service including free removal of graffiti from private property and to enabling property owners to return a consent form to the city.

### Statutory and policy considerations

The tender was undertaken in accordance with tender regulations; there are no other statutory or policy implications for this report.

### Strategic implications

Prompt and effective removal of graffiti contributes to the city's strategic plan aims of responsible stewardship: to manage the community's resources in the best long-term interests of all; and quality environment: to protect and enhance both our built heritage and natural environment.

### Financial, social and environmental implications

Financial implications of awarding this tender are discussed above, there is a current budget allocation for this programme which covers the proposed cost. The estimate for the 2010/11 financial year is currently \$110,000.

Tender respondents were requested to provide information on environmental risk mitigation for each treatment to be used.

### Attachments

There were no attachments to this report.

## 10.2 CORPORATE AND TECHNICAL SERVICES COMMITTEE

### ENBLOC DECISION

Moved Cr White/seconded Cr Hemsley

**That the recommendations relating to T1 to T5, T7 and T10 contained in the minutes of the Corporate and Technical Services Committee meeting held on 22 June 2010 be adopted.**

CARRIED 11/0

5:45pm

### T1 ALTERNATIVE PLAYGROUND SOFT FALL MATERIALS

Prepared by: Blake Humble, Coordinator Parks Development  
 Supervised by: Martin Copeman, Acting Director Technical Services  
 Date: 9 June 2010  
 File ref: A/1492  
 Voting requirements: Simple - more than half elected members present required to vote in favour

### STAFF/COMMITTEE RECOMMENDATION/COUNCIL DECISION

Moved Cr White/seconded Cr Hemsley

**That council endorse the use of approved loose materials such as white washed sand, bark and synthetic turf as alternatives where appropriate to recycled rubber soft fall as under surfacing for play grounds within the City of Subiaco.**

CARRIED 11/0

5:45pm

#### Background

Approximately 10 years ago council passed a resolution to install recycled rubber soft-fall beneath play-equipment to replace white washed sand. Since that time rubberised soft-fall has been installed in all of the city's twenty-three playgrounds.

In 2009 a Universal Play-space was designed and installed in Mueller Park. The play space includes a variety of soft-fall materials which enhance the play opportunities and provide sensory play experiences for children. The soft-fall materials include white washed sand, synthetic turf and bark mulch. All three treatments comply with the relevant Australian Standard for play ground soft fall.

The purpose of this report is to recommend that alternatives to rubber soft-fall be considered for installation in playgrounds where appropriate to enhance the play experiences for children.

#### Comment

In the late nineties the hazards associated with public open space sand pits caused local authorities to consider alternatives. The primary concern was child safety and fear of litigation resulting from injury caused by foreign objects imbedded in the sand. Removing the risk totally was seen to be the only acceptable course of action. Recycled rubber soft fall was promoted as the logical replacement to sand as it provided a suitable impact absorbing surface and eliminated the risk of needle stick injuries and other hazardous.



In 2003 the city developed park infrastructure replacement programs based on a ten year safe useful life expectancy. Play ground soft-fall was included as a component of the play-equipment replacement program. Due to the fall zone criteria required under the Australian Standard the cost to install rubber soft-fall is typically 50% of the total cost to install a playground. The integrity of recycled rubber soft-fall is compromised from exposure to sunlight and other elements. As the rubber ages it loses its impact absorbing properties. Rubber soft-fall is also vulnerable to vandalism by being set on fire. The safe useful life of the rubber soft-fall in Subiaco has proved to be some five years. The high installation costs and the requirement to replace the rubber at twice the rate of the play equipment has a significant impact on the city's capacity to purchase state of the art innovative play equipment. Consequently the quality of the play experience provided has reduced over time.

The public's response to the new universal play space in Mueller Park has been overwhelming. The play space is a popular play destination and the city has received a number of written communications applauding the variety of soft-fall treatments incorporated into the design which provide cognitive and sensory play experiences.

*Young children need exposure to and experience in environments that provide learning opportunities in and about nature. Natural elements such as bark, soil, sand, water and rocks offer important experiences that influence a child's cognitive and creative development. (The Good Play Space Guide. publication by Playgrounds and Recreation Association of Victoria)*

Fear of litigation has caused many local authorities to blanket playgrounds with rubber surfaces and in doing so eliminate important play elements from playgrounds. For many children living in inner city suburbs their local playground is their main opportunity for outdoor play. This provides an increased responsibility for the city to ensure we provide supportive play spaces which reflect the needs of children.

Including sand and other loose soft fall materials in and around our playgrounds will increase the opportunities for cognitive and social play for both children and their guardians. Sand and/or bark soft fall materials are typically cooler than rubber soft fall in summer. The purchase and installation of sand and/or bark is only a fraction of the cost of recycled rubber soft fall. Sand and bark are readily available and not dependant on contractor availability to install. If well maintained both sand and bark have superior impact absorbing qualities than recycled rubber.

The risks associated with loose materials can be managed by regular routine maintenance and a program for sieving the material to remove foreign objects.

#### Consultation

No consultation has been undertaken with respect to this report.

#### Statutory and policy considerations

The city is required to comply with the relevant Australian Standards relating to playgrounds and surfacing, these include: AS/NZS 4486.1:1997, AS 1924.2-1981, AS/NZS 4422:1996, AS 4685.1-2004, AS 4685.2-2004, AS 4685.3-2004 and AS 4685.6-2004.

#### Strategic implications

The proposals in this report are consistent with the aims of the Strategic Plan, specifically:

*Responsible Stewardship*

*To manage the community's resources in the best long term interests of all. Effective maintenance and management of assets enables an improved level of amenity to be provided to the community.*

Financial, social and environmental implications

Reducing the extent of recycled rubber soft fall in the city's playgrounds will have positive implications for Parks Services Capital Improvements Program. Reducing the cost of installing soft fall will free up more funds to purchase innovative play-equipment and improve playground design.

There are positive social implications for the community as the re-introduction of loose soft fall materials will increase sensory and cognitive play opportunities for children.

Attachments

There are no attachments to this report.

**T2 ROSSELLO LANE FICUS TREE**

Prepared by: Martin Copeman, Manager Parks & Environment

Supervised by: Alan Millard, Director Technical Services

Date: 4 June 2010

File ref: A/1414

Voting requirements: Simple - more than half elected members present required to vote in favour

**STAFF/COMMITTEE RECOMMENDATION/COUNCIL DECISION**

Moved Cr White/seconded Cr Hemsley

- 1. That the city supports retaining the Ficus tree located on Lot 448 Rossello Lane, Subiaco.**
- 2. That Woodhouse Legal be engaged to draft a letter to the Subiaco Redevelopment Authority(SRA) on behalf of the city requesting that the SRA fund the full scope of work involving:**
  - a) root exploration**
  - b) the staged reduction of the tree's roots and canopy**
  - c) the supply and laying of root barrier to protect the adjacent properties from future root development**
  - d) If b and/or c above are not possible, the SRA is to organise and fund the tree's replacement.**

CARRIED 11/0

5:45pm

Background

In 2001-2002 the Subiaco Redevelopment Authority (SRA) cleared and prepared the BOC Gas site on Tighe Street, Jolimont to accommodate the development of 'Subiaco Rise'. A large Ficus tree growing on the site was retained. The Ficus tree is located at the north-eastern edge of the Subiaco Rise sub-division on the ridge overlooking the Subiaco Common oval area. The landmark tree was incorporated into the new Subiaco Rise landscape at the top of the new stairway providing access to Subiaco Common from Subiaco Rise.

Responsibility for the maintenance of all public open space within Subiaco Rise was handed to the city in 2004.

The city accepted the maintenance responsibility for the Subiaco Rise public open space in good faith on the basis that the SRA was handing over assets which had been well planned and were sustainable from both a maintenance and economic viewpoint. The city's acceptance of the large Ficus tree at the above site was considered appropriate given the amenity value derived from the tree's significant age, size and aesthetically balanced canopy.

In late 2005 (without the city's permission) two thirds of the trees canopy was removed including all of the trees western and eastern limbs. An investigation into the matter found that the SRA had arranged the pruning to accommodate construction on the two lots (lots 437 & 438) directly adjacent to the tree. The pruning changed the tree's natural form from one of a spreading canopy, to one of a vertical 'column'.

In March 2006 the redevelopment authorities Senior Manager Place Management acknowledged in writing that the pruning had been carried out on the instruction of the SRA without consultation and liaison with the city.

Since that time there have been a number of exchanges between the city and the Subiaco Redevelopment Authority in relation to the tree's suitability due to the charged nature of the site.

In March 2009 the city sought legal advice in relation to the potential for the city to be found liable in relation to the tree due to its proximity to the properties on Lots 437 and 438 Rossello Lane, Subiaco

The purpose of this report is to inform council of the issue, inform council of the city's legal liability in regard to the matter and to recommend that remedial work be carried out to manage the tree within the confines of Lot 448 (known as 50A Rossello Lane, Subiaco)

### Comment

In January 2006 the city wrote to the redevelopment authority stating that it was the city's view that it was not appropriate for the authority to handover the maintenance responsibility for the site to the city and then assume the authority to prune the tree to accommodate their planning. It was the city's view that during the planning process planners for the redevelopment authority would have been aware of the tree's size and significance and should have planned for its longevity. It was the city's view that there was no logic in the decision (other than financial gain) to compromise the trees longevity by allowing the two blocks directly adjacent to the tree to be developed with three story residential properties; while installing car parks directly west of the tree on the west side of Rossello Lane, with additional car parks installed between Lots 452 and 453 Rossello Lane and had the SRA advised the city prior to hand over that the form of the Ficus tree would be significantly modified to accommodate the development of Lots 437 and 438 Rossello Lane the city would not have accepted responsibility for the tree.

In January 2006 the city engaged an expert arborist to assess the tree's remaining structure, value the tree and to make recommendations on the tree's future and worthiness for retention. (A copy of the arborists report is provided as attachment 1)

At a meeting held 22 April 2006 between the then Director Technical Services, David Saunders (CoS) and Mark Hedges (SRA) it was agreed that the SRA would arrange and fund the replacement of the Ficus tree. The city requested that the SRA engage the Subiaco community in consultation prior to replacing the tree with a species with a mature canopy and growth characteristics that could be accommodated by the changed nature of the site.

The city's arborist's report received 23 April 2006 indicated that whilst the tree was found to be healthy and structurally sound it was aesthetically unbalanced due to the fact that all of the tree's eastern and western limbs have been significantly reduced or removed as part of the pruning. The arborist further advised that if the tree was to be retained that no further limb reduction should occur until the Autumn of 2007 at which time a canopy restoration program could be initiated to rework the canopy over a minimum 5 year period in an attempt to improve the aesthetic balance and the amenity value of the tree. It was the arborist's further view that it was unlikely that the tree would regain its natural form due to the combination of the extent of limb removal and the close proximity of the tree to the properties located to the east and west.

In August 2006 the SRA engaged 'Plan E' (Landscape Architectural firm responsible for the design and development of Subiaco Rise) to:

- a) review the city's arborists report; estimate costs associated with the reports recommendation
- b) consider alternative species
- c) consider advantages and disadvantages on the various options
- d) to recommend a preferred position for SRA. (A copy of the SRA's invitation to quote document is provided as Attachment 2.)

A letter addressed to the city from the SRA's Senior Manager Place Management, Lisa Smith dated 29 September 2006 states:

*Following the City's correspondence, the SRA sought an opinion on likely implications and whether to retain the tree or have it removed. A copy of the report, which was prepared by Arbor Logic, is attached for your information.*

*The report recommends that the SRA retains the tree and initiate a canopy restoration program no sooner than Autumn 2007, as recommended in the report by Aldous-Ball. This recommendation is based on the following:*

- *Arbor Logic states that although it is fair to agree that the canopy will never have the same natural form as it had before the adjacent properties were developed, given time and some canopy restoration pruning, it can be expected to fill out in front of the buildings to give the perspective of a full and aesthetically balanced canopy when viewing the tree from the adjacent park.*
- *Installing a replacement tree in the same location as the existing Specimen will prove difficult due to a number of factors including site access for stump removal, the change in ground levels that has occurred, presence of 'hard landscapes' (walls, paving etc), and the close presence of the foundations of the adjacent properties.*
- *The time frame required for a smaller replacement tree to attain a similar canopy size as the existing Specimen and provide the desired amenity is also considered to be longer than the time frame required to undertake the recommended canopy restoration works (i.e. more than 10 years)*

- *The cost to replace this Specimen has been estimated at being higher than the estimated costs required to undertake the recommended canopy restoration works as per the Aldous-Ball report.*

*Arbor Logic therefore recommends that the most cost effective and time effective option available to provide the site with the desired amenity would be to retain the existing Specimen and initiate the recommended canopy restoration works as per the Aldous-Ball Report.*

*Based on the reports received by Aldous-Ball and Arbor Logic, SRA recommends that the tree be retained and agrees that the SRA (or its successor agency) will cover the cost of the canopy restoration works for ten years, to review the requirements thereafter. SRA will also be happy to consult with local residents regarding this decision following receipt of endorsement from the City of Subiaco."*

(A copy of the SRA letter dated 29 September with attached report is provided as Attachment 3)

The report by Arbor Logic makes several references to *"the recommended canopy restoration works as per the Aldous Ball Report"* The report by Charles Aldous-Ball however refers to re-establishing a balanced canopy and makes no reference to allowing the trees canopy to develop on a north south alignment *"to fill out in front of the buildings to give the perspective of a full and aesthetically balanced canopy when viewing the tree from the adjacent park"*. To do so would encourage considerable limb loading and a high level of risk to the community.

The report by Arbor Logic states:

*The Specimen is located in a retained limestone garden bed, and closer examination showed the presence of a mulch layer over a geo-textile fabric layer, with large grade rocks underneath. Anecdotal evidence confirmed that the ground level adjacent this Specimen has in fact been raised by approximately 1 metre, to facilitate the development works 3-4 years ago. This raising of the ground level over the Specimens absorbing root zone does not appear to have affected the Specimen to any extent at this stage." .....An estimated cost to remove the Specimen to current existing ground level is \$3000-\$4000, but this does not include removal of the stump, which will prove difficult to say the least due to change in ground level and the surrounding 'hard-scape' and buildings. ....As mentioned above, if a replacement tree is desired to be planted in the same location, then the stump will need to be removed in its entirety. This will require major excavations using large grade plant machinery. ....The stump removal works may (or may not) also have an effect on the structure of the adjacent properties.*

The two arborist reports confirm that the longevity of the *Ficus* has been compromised by the radical pruning, the significant change in surrounding soil levels and potentially by the development of the two adjoining properties. Both reports identify that the site constraints will require ongoing limb reduction to ensure the tree parts do not compromise the adjacent dwellings. Canopy development on a north south alignment has the further potential to predispose branches to failure due to limb loading. The tree is essentially now blocked in by development on all four sides. The distance between

the trunk of the tree at ground level and Lot 438 is some 3.5 metres and some 5.5 metres from Lot 437.

The decision by the SRA to retain the tree appears to be based on factors relating to time, cost, difficulty, and the risk of liability associated with the adjacent buildings. Nowhere in the assessment or decision making process is there reference to consideration of what might be either a reasonable and/or sustainable outcome for the Subiaco community.

The city advised the SRA that it did not accept the reasons cited in the SRA's letter (Sept 2006) for retaining the tree.

In November 2006 the SRA agreed for the second time to replace the tree and asked the city to identify a preferred species. The city asked for the request in writing to which the SRA responded by stating that it supported the canopy restoration option but would fund the trees replacement but only at the City' initiation and carriage of the project thereafter. At that time the SRA also agreed to consider initial exploratory investigations in partnership with the city to determine the impact of the subterranean root system on the adjacent properties. The city again reiterated that the situation was a direct result of the SRA's planning and actions and needed to be resolved by the SRA. In response the SRA stated that the SRA would fund the cost of the trees replacement on the basis that the works were entirely coordinated and managed by the city. The SRA also advised that the SRA would not accept any liability associated with the adjacent buildings, given tree removal was not the SRA's preferred option. In May 2008 the SRA advised the city that the SRA did not accept that the Ficus tree (if left in situ) would adversely impact on the adjoining properties.

Further stating that the SRA did not accept liability for the future development and expansion of the root mat under the two properties approved by the SRA following retention of the Ficus tree.

In December 2008 the city advised the SRA that as the matter remained unresolved the city would to seek advice on the matter.

In January 2009 the city received a number of complaints from the residents living directly adjacent the tree requesting that tree branches coming into contact with the property rooves be pruned back. The city obtained quotes for the work required and forwarded them to the SRA requesting that the SRA manage the tree canopy issues until such time as the management issues relating to the trees longevity were resolved. In response the SRA sent the city a cheque for the quoted amount. On legal advice the cheque was returned to the SRA pending a full review of the issue by a barrister experienced with negligence issues.

On 3 March 2010 the city instructed Woodhouse Legal to engage a barrister experienced with negligence issues to provide advice on the matter.

In June 2009 the city received a letter from Woodhouse Legal with a note attached from the Barrister Peter Doherty. The note sought additional information which needed to be considered in providing advice to the city. The note also recommended that the city contact its Insurer to notify of the potential for a claim. (A copy of the letter received from Woodhouse Legal dated 12 June 2009 with barristers note attached is provided as Attachment 4)

The additional information sought by the barrister was provided and the city received a further letter from Woodhouse Legal dated 7 August 2009 with the barrister's opinion included as an attachment. In summary the barrister concluded that both the SRA and the city may be found liable in Nuisance to the owners of the properties at Lot 437 and 438 for damage caused by the roots of the tree. The barrister also concluded that both the city and the SRA would be held to owe a duty of care to the owners and whether either the SRA or the city had breached its duty of care would depend on what a reasonable person in their position would do by way of a response to the risk. The barrister advised the city to engage an expert to provide advice on how best to avoid or mitigate damages to the houses on Lots 437 & 438 by the roots of the tree. The barrister provided the city with a list of Questions that the expert should be asked to provide answers to. (A copy of the letter received from Woodhouse Legal dated 7 August 2009 with the barrister's opinion dated 5 August 2009 is provided as Attachment 5)

The city engaged expert arborist Classic Trees through Woodhouse Legal to provide the information required. (A copy of the letter sent from Woodhouse Legal to Barrister Peter Doherty with the Arborists expert advice dated 18 February 2010 is provided as Attachment 6).

On 11 May 2010 the city received an email from Woodhouse legal with further advice from Barrister Peter Doherty included as an attachment.

The barristers report is as follows:

*The Report advises:*

1. *It is probable that there was significant root encroachment onto lots 437 and 438 before the city took over the maintenance responsibility for the tree. If that is so, the assumption I made in my opinion (at paras 5.4 and 5.5) was correct, and the conclusion expressed in paras 5.5 and 5.6 (that the SRA and the city could both be liable in private nuisance) stands.*
2. *Soil samples taken from the City's land are predominantly sand and it is unlikely that the soil in lots 437 and 438 would be significantly different.*
3. *Soil heave [which I understand to mean that the soil level rises] from soil hydration is the major potential for damage where roots have been severed or pruned [e.g. by excavation on lots 437 and 438] but any soil heave would be evident by now, and soil heave only occurs in shrinkable clay soils, which are not present here.*
4. *Damage may also be caused by resurgent fibrous root regrowth entering poorly constructed footing joints or failed pipe work or from roots not removed during the preparation of lots 437 and 438, but such damage is likely to be confined to lightly loaded structures, such as driveways, patios and fences.*
5. *Over time, considering the potential development of the tree, there is likely to be more damage if the tree is retained, than if it is removed. There is nothing to suggest that if the tree is removed, houses will be damaged by the decomposition of roots.*
6. *An assessment of the degree of root severance during site works could be determined using an air knife, but this is not recommended because it would be likely to increase root damage after the inspection.*
7. *If tree roots were not removed during the site works for lots 437 and 438, there could be some turgor [i.e. swelling] pressure from radially expanding roots that could cause damage to boundary fencing and walls (and there*

*is some evidence of this occurring on the circular wall on lot 448), but this is unlikely to damage the houses on lots 437 and 438.*

8. *The potential for damage depends, to some extent, on the construction and type of footings used on walls and the house and the quality and strength of build.*

*It follows that:*

1. *It may be anticipated that retention of the tree may cause damage to lightly loaded structures (such as fences, driveways and patios), but is unlikely to damage the houses on lots 437 and 438. Because of this, in my opinion, the city and the SRA will be liable for such damage if claims are made by the owners of lots 437 and 438.*
2. *More damage is likely to be caused by the retention of the tree than by its removal (assuming of course that it is removed without damage to lots 437 and 438);*

*From the City's perspective, the Report does not, in my opinion, require that the tree be removed, but removal is likely to be the only way of avoiding any damage to the structures on lots 437 and 438, and the potential for claims being made in relation to such damage.*

The reference to at "paras 5.4 and 5.5" in item 1 refer to dot points 5.4 and 5.5 in the Barristers Opinion document included in attachment 5. An extract from page 9 of that document is provided below:

#### *5. My opinion*

- *5.4 I do not have instructions as to the degree to which the roots of the Tree had extended into Lots 437 and 438 in late 2003/early 2004. For the purposes of this opinion, I have assumed that the encroachment is likely to have been substantial, such that it can be said that the interference with the land was both 'substantial' and 'unreasonable'. If this is not, please let me know.*
- *5.5 If this is so, in my opinion a court is likely to find that the SRA created a nuisance when it owned Lots 437 and 438, in which case;*
  - *Although it did not plant the Tree, it has had, for some time, knowledge that the roots of the Tree may cause damage to Lots 437 and 438 and the houses constructed on those lots, and has not done anything to abate that nuisance; and*
  - *A court is likely to find it liable to the Owners for damage caused by the roots of the Tree."*

(A full copy of the e-mail from Woodhouse Legal with attached report from Peter Doherty to Woodhouse Legal is provided as Attachment 7)

#### Summary

It is the city's view that the SRA is responsible for the outcomes of the SRA's decision to retain the large Ficus tree on Lot 448 Rossello Lane and within six metres of two Lots planned to accommodate multi-storied dwellings. Knowing that the tree's canopy needed to be reduced to 50% of its original width and without divulging that information, the SRA handed responsibility for the site to the City of Subiaco in late 2003. The city accepted the site in good faith on the basis that the SRA was handing over an asset which had been well planned and was sustainable from both a maintenance and economic viewpoint.



The city's original acceptance of the large Ficus tree was considered in the context of the site at the time of handover. The wide spreading canopy was well accommodated by the surrounding vacant land; no indication was given by the SRA that the tree needed to be pruned to form a vertical column. Retaining the tree was supported by the city given the amenity value derived from the tree's significant age, size and aesthetically balanced canopy. Today the trees age is the only remaining consideration.

The city's current concerns relate to issues surrounding the trees extensive root system and the financial burden placed on the community of managing the large tree to ensure it does not damage the surrounding properties. Prior to being pruned in 2005 the tree had a wide spreading and well balanced canopy. The arboricultural report compiled by Charles Aldous-Ball in April 2006 states that at the time of the inspection the tree was some twenty two metres tall with a canopy spread of 21 metres north/south and 11 metres east/west. It is reasonable to assume that prior to the pruning that the tree's canopy also extended some 21 metres east/west. Roots from mature Ficus trees have been recorded over three times the width of the trees canopy. It is not known how far the trees roots extended out from the trees base, however, it is reasonable to assume that due to the size of the tree, the growth characteristics of the species, the fact that the furthest distance between the tree and the adjoining properties is some 6 metres and the lots are some ten metres wide, that the trees roots extended across the two adjacent Lots.

The city has been unable to reach agreement with the SRA in regard to the future management/maintenance of the Ficus tree and on that basis the city sought legal advice in relation to the potential for the city to be found liable in relation to the tree. The barristers advice received states that *"any liability of the city or the SRA (or both of them) to the Owners is likely to be based on the tortious claims of private nuisance and negligence."*

*"A private nuisance is a substantial and unreasonable interference with the private right to the use and enjoyment of land. The encroachment of roots and branches is a common form of private nuisance. A person may be liable in Nuisance if he creates the nuisance, or if, although he does not create the nuisance, he has knowledge or means of knowledge of it and he fails to take steps in a timely fashion to remove it. A person who creates a nuisance and who then disposes of the land cannot thereby avoid the consequences of the nuisance. He will remain liable for the damage caused by the nuisance after he has disposed of the land even though he has no ability to abate the nuisance."*

The barrister's opinion is that a court is likely to find that the SRA created a nuisance when it owned Lots 437 and 438 because it has for sometime known that the tree may cause damage to the properties and has not done anything to fix the problem. The barrister is also of the opinion that the city may also be liable in nuisance to the owners for damage caused by the roots of the tree because the city adopted or continued the nuisance created by the SRA. The barrister is of the further opinion that the SRA and the city owe a duty of care to the Owners because both the city and the SRA are both now aware that if nothing is done the tree's roots have the potential to cause damage to the properties.

The expert arborist providing advice to the barristers is of the opinion that due to the soil type that it is unlikely that the tree's root system will have an adverse impact on the adjacent buildings due to the size of the buildings. The arborist states that turgor

pressure from developing roots may cause damage to lightly loaded structures such as boundary fencing/walls, driveways and paths.

The barrister's opinion indicates that there are risks associated with both either retaining the tree or removing the tree. It is the barrister's opinion that the tree does not need to be removed, however damage to the properties is more likely to occur in the tree is retained than if the tree is removed. The damage however is likely to only occur to lightly loaded structures.

The barrister's report states that the tree does not need to be removed. The legal opinion provided however, advises that the City of Subiaco and the SRA have a duty of care to the adjacent property owners to minimise the risks associated with the tree. On that basis it is this officer's opinion that the SRA should initiate an investigation of the tree's subterranean root structure to determine if it is possible to root prune the tree along the east and west frontages of Lot 448. If it is possible to prune the roots a staged removal/reduction program for both the tree's roots and canopy should be introduced to reduce the tree to a form appropriate for the changed site conditions. If it is not possible to prune the trees root system without compromising the trees longevity the tree should be removed by the SRA.

#### Consultation

Woodhouse Legal was engaged by the city to provide legal advice. Barrister Peter Doherty was engaged on behalf of the city to provide legal advice. Classic Trees was engaged through Woodhouse Legal to provide expert advice.

#### Statutory and policy considerations

The City's Street Tree Policy aims to preserve the Urban Forest and recognises that each street tree exists in its own right.

#### Strategic implications

The city has been advised that it has a duty of care towards the Owners of Lot 437 and 438 Rossello Lane, Subiaco to minimise the risk of damage to property caused by the Tree.

The city has received a legal opinion that a court is likely to find the city liable in nuisance to the owners for damage caused by the Tree's roots. If successfully prosecuted the cost to the city could be substantial.

#### Financial, social and environmental implications

If successfully prosecuted the cost to the city could be substantial.

Retaining the tree will require an ongoing commitment at a higher rate than would ordinarily be expected for tree maintenance.

Removing the tree would have adverse social and environmental implications. Retaining the tree would have positive social and environmental implications.

The tree is a large specimen which has landmark qualities despite its modified form.

#### Attachments

1. Arborists report – Charles Aldous-Ball (5 pages)
2. SRA's Invitation to Quote (2 pages)
3. SRA letter dated 29 September 2006, with Arbor Logic Report (9 pages)
4. Woodhouse Legal letter dated 12 June 2009 with Barrister's note (4 pages)

5. Woodhouse Legal letter dated 7 August 2009 with Barrister's opinion (14 pages)
6. Woodhouse Legal letter dated 18 February 2010 with Classic Tree advice to barrister (14 pages)
7. Wood house Legal email with barrister report (3 pages)

**T3 TENDER A/2253 FOR THE COLLECTION AND DISPOSAL OF WASTE**

Prepared by: Kumar Vadivale, Manager Infrastructure Services  
Supervised by: Director Technical Services  
Date: 7 June 2010  
File ref: A/2253  
Voting requirements: Simple - more than half elected members present required to vote in favour

**STAFF/COMMITTEE RECOMMENDATION/COUNCIL DECISION**

Moved Cr White/seconded Cr Hemsley

**That the tender for the collection and disposal of waste be awarded to Brajkovich Demolition and Salvage for a period of one(1) year, with the option of three(3) one(1) year extension periods, as per section 3.2.2 of the tender document.**

CARRIED 11/0

5:45pm

Background

Waste produced by the city's operations is delivered to the city's works depot on a daily basis by the city's work crews. The waste is stored in the Operations Centre until it is removed by the city's contractor for disposal at approved recycling centres and/or landfill sites. The existing tender for this service is due to expire and the city has called for tender submissions from companies suitably experienced and resourced to load and remove a variety of waste materials and to transport those materials to approved recycling and landfill sites on a weekly basis. In addition to general cartage and disposal services, the tender requires the contractor to respond to emergency on-call situations as required from time to time. The tender was advertised in the West Australian newspaper and closed at 2.00pm on 19 May 2010.

Comment

Prior to the tender closing, four tenders were received; these were from Brajkovich Demolition and Salvage, Perth Bin Hire, Advanced Waste Disposal and All Earth. The tender from All Earth was deemed to be non-compliant as the cartage rate for the disposal of green waste was provided as an hourly rate and not tonnage as specified in the tender document part 4.5.3. All Earth was the only company to provide an alternative tender option and on that basis it is not appropriate to evaluate the alternative tender as indicated in part 1.11.11 Alternative Tender conditions. On that basis the tender received from All Earth was rejected.

The three remaining tenders were independently evaluated by city staff. The tables below show the results of the tender evaluation:

<b>Scorecard - Average of 3 separate evaluations</b>		<i>Brajkovich Demolition and Salvage</i>		<i>Perth Bin Hire</i>		<i>Advance Waste Disposal</i>	
<i>Qualitative Selection Criteria</i>	<i>Weighting</i>	<i>Score (Out of 10)</i>	<i>Weighted Score</i>	<i>Score (Out of 10)</i>	<i>Weighted Score</i>	<i>Score (Out of 10)</i>	<i>Weighted Score</i>
Demonstrated commitment towards recycling / reusing waste material	25%	7.30	18.25	5.00	12.50	7.00	17.50
Demonstrated experience in completing similar projects / supply similar services	20%	7.67	15.33	7.33	14.67	6.67	13.33
Skills and experience of key personnel	20%	7.33	14.67	5.33	10.67	7.33	14.67
Tenderer's resources	20%	7.00	14.00	6.33	12.67	6.33	12.67
A demonstrated understanding of the required tasks	10%	4.67	4.67	6.67	6.67	5.33	5.33
Evaluation of environmental performance as detailed in the completed environmental questionnaire - organisation or product environmental performance	5%	8.33	4.17	5.00	2.50	5.33	2.67
<b>Total Weighted Score</b>	<b>100%</b>		<b>71.08</b>		<b>59.67</b>		<b>66.17</b>

<i>Item Prices</i>	<i>Unit</i>	<i>Brajkovich Demolition and Salvage</i>	<i>Perth Bin Hire</i>	<i>Advance Waste Disposal</i>
Disposal of green waste	Per ton	\$68.00	\$137.50 (transport only)	\$88.00
Disposal of contaminated waste	Per ton	\$148.00	\$185.00 (transport & tipping)	\$225.00
Disposal of infrastructure spoils (bricks, steel, concrete, etc)	Per ton	\$32.00	\$30.25 (transport & tipping)	\$46.00
Discount / Payment to Principal for recyclable green waste	Per ton	\$4.00	0	0
Discount / Payment to Principal for recyclable construction waste	Per ton	\$4.00	0	0
	<b>Rates Total</b>	<b>\$240.00</b>	<b>\$352.75</b>	<b>\$359.00</b>

### Summary

Brajkovich Demolition and Salvage quoted the cheapest overall rate for cartage and disposal of the various waste types providing a combined rate of \$240.00. Brajkovich Demolition and Salvage also scored highest in the Qualitative Selection Criteria with a total score of 71.08. Brajkovich Demolition and Salvage quoted the cheapest rates for the disposal of green waste and contaminated waste and the second cheapest rate for the disposal of Infrastructure waste including bricks, steel and concrete. As green waste and contaminated waste including road sweepings comprise the majority of waste requiring disposal Brajkovich Demolition and Salvage are considered to offer the city best value for money. Brajkovich Demolition and Salvage have previously provided a number of services to the city and provide similar services to a number of local government authorities in the Perth metropolitan area.

It is recommended that the tender received from Brajkovich Demolition and Salvage for the cartage and disposal of waste materials is accepted as the most advantages to the city.

### Consultation

Consultation is limited to advertising the tender in the West Australian newspaper.

### Statutory and policy considerations

There are no specific legislative considerations associated with this report. State government legislation and regulations impact on the cost of landfill operations. The proposals outlined in this report comply with the waste management policy.

### Strategic implications

The provision of waste/recycling services to the community is one of the core activities of local government. The strategic plan incorporates aims of better service provision.

### Financial, social and environmental implications

The social and environmental implications are significant in the context of the collection of waste and recyclables. Significant benefits result from management of waste and recycling services with a view to minimising the total tonnage disposed through land filling and maximising the recovery of recyclable materials.

### Attachments

Nil

## T4 SOCIAL AND COMMUNITY PROPERTY PORTFOLIO AUDIT: TERMS OF REFERENCE

Prepared by: Ashley Niciforo, Lease Administration Officer  
 Supervised by: Patrick Ferguson, Director Land and Property  
 Date: 18 May 2010  
 File ref: A/2204  
 Voting requirements: Simple - more than half elected members present required to vote in favour

### STAFF/COMMITTEE RECOMMENDATION/COUNCIL DECISION

Moved Cr White/seconded Cr Hemsley

**That council endorse an audit of the city's Social and Community Property Portfolio under the following Terms of Reference.**

CARRIED 11/0

5:45pm

### Background

On 27 April 2010 council endorsed the Investment and Economic Property Portfolio Review. The report noted that: *'property held for social and community purposes would be subject of a separate review in the latter half of 2010'*.

The purpose of this report is to now seek council's endorsement to conduct this review by way of an audit of the Social and Community Property Portfolio within the following Terms of Reference.

### Comment

The city understands the need to address the social and community goals associated with the development and implementation of a whole of city property strategy.

The Social and Community Property Portfolio audit will provide a comprehensive report on the property interests held within education, sporting and community facilities.

Audit of the portfolio within the suggested terms of reference will ensure the city maintains an appropriate focus on this aspect of the city's social and community service delivery. It will assist the city to address future occupancy arrangements, requirements and accountability for these significant built assets.

The proposed framework, outlining the content and scope of the report is as follows:

<i>Social And Community Property Portfolio Audit - Content And Scope</i>	
"To establish and deliver associated policies, strategies and programmes in support of the city's long term directions."	
1. Background	<ul style="list-style-type: none"> <li>• overview of social &amp; community portfolio</li> </ul>
2. The Portfolio	<ul style="list-style-type: none"> <li>• key site details</li> </ul>
3. Property Category	<ul style="list-style-type: none"> <li>• Performing Arts</li> <li>• Social Housing</li> <li>• Education Department</li> <li>• Play Centres</li> <li>• Youth Clubs</li> <li>• Sports Clubs</li> <li>• Community Centres</li> <li>• Western Australian Football Commission</li> </ul>

<i>Social And Community Property Portfolio Audit - Content And Scope</i>	
4. Policy	• Real Property Assets Policy
5. Recommendation	• Audit Recommendations and Comment
Appendix	i. Table of Leases/licences/agreements

### Consultation

In April 2010 elected members endorsed a review of property held for social and community purposes.

### Statutory and policy considerations

Policy 10.10 *Land Assets* requires, *inter alia*, that:

*The city aims to manage the community's assets in the best long-term interests of all.*

### Strategic implications

The city recognises the requirement for goals and strategies to meet the long term needs of its community.

### Financial, social and environmental implications

There are no specific financial, social and environmental implications to consider at this stage.

### Attachments

There are no attachments to this report.

## **T5 TENDER A/2241 FOR CASH COLLECTION AND BANKING SERVICES**

Prepared by: Michael Duckett, Manager Field Services  
 Supervised by: Scott Hawkins Director Corporate Services  
 Date: 8 June 2010  
 File ref: A/2241  
 Voting requirements: Simple – more than half the elected members present required to vote in favour.

### **STAFF/COMMITTEE RECOMMENDATION/COUNCIL DECISION**

Moved Cr White/seconded Cr Hemsley

**That the tender submitted by Linfox Armaguard for Cash Collection and Banking Service for three years from the 1 July 2010 to 30 June 2013 at an estimated cost of \$185,970 be accepted as the most advantageous offer.**

CARRIED 11/0

5:45pm

### Background

Public tender has been invited for the provision of cash collection and banking facilities from various city facilities and 71 parking ticket machines. The existing contract for cash collection from council facilities expires 30 June 2010

The tender was advertised on Saturday 10 April 2010 and closed 28 April 2010.



The level of service includes collection of money from the following venues and the 71 parking ticket machines that require clearance once and sometimes twice per week, followed by counting, reconciliation and banking:

- Administration Centre
- Library
- Subiaco Community Centre
- Lords

The venues are currently serviced by Armaguard and the ticket machines by Chubb, the latter did not participate in the tender process.

#### Comment

At the close of tenders, 3 submissions were received, each of which was a compliant tender submission. Tenders were received from the following companies:

- Linfox Armaguard
- West-Sure Group Pty Ltd
- Navsec Security

An independent assessment against the selection criteria was completed by three officers, consolidation of the results is as follows:

<i>Criteria</i>	<i>Weighting</i>	<i>Armaguard</i>	<i>West-Sure</i>	<i>Navsec</i>
Relevant Experience	40%	33.3	32.0	22.4
Respondents resources	30%	24.0	22.8	18.9
Demonstrated Understanding of the task	25%	20.8	20.0	15.0
Environmental assessment	5%	7.6	2.3	2.2
<b>Totals</b>	100%	85.7	77.1	58.5

At this stage Navsec were excluded as they were not able to demonstrate previous experience clearing ticket machines and Armaguard and West-Sure continued to be considered.

A financial model was developed which related the schedule of services required by each venue and the ticket machines to the various unit prices submitted. The annual amounts, inclusive of GST, that would be payable to each contractor were calculated as follows:

- Lynfox Armaguard                      \$61,990
- West-Sure                                      \$70,886
- Navsec    \$76,894

Prices are fixed for the first 12 months of the contract period and will vary either up or down only if the schedule of collection is adjusted, which is likely as we move to ticket machines with credit card facilities.

Reference checks were conducted for Armaguard and West-sure being the preferred respondents, each reference was positive.

Linfox Armaguard currently provide cash collection and banking services for the city's venues and are providing a good quality service. They have also been able to demonstrate current experience providing ticket machine clearance services for several institutions in metropolitan WA and offered a detailed operating process as part of their

tender process to demonstrate a clear understanding of that particular aspect of the service.

Likewise West-Sure have several local government clients in the metropolitan area and demonstrated capacity to perform the service being purchased by the city, however the price differential makes Armaguard a more competitive option.

#### Consultation

There has been no public consultation in relation to this matter.

#### Statutory and policy considerations

Goods or services likely to cost in excess of \$100,000 need to be procured by a public tender process. The value of this three year contract will be in the vicinity of \$200,000.

#### Strategic implications

Efficient and secure management of cash is sound management and reduces the risk of loss and injury to staff otherwise required to transport funds to the bank.

#### Financial, social and environmental implications

Public tendering is the most effective method of ensuring the city is paying the most competitive price for goods and services.

#### Attachments

There are no attachments to this report.

## **T6 REVIEW OF DELEGATION OF AUTHORITY**

Prepared by: Di Jowett, Manager Administrative Services  
 Supervised by: Scott Hawkins, Director Corporate Services  
 Date: 22 June 2010  
 File: A/1872  
 Voting requirements: Absolute majority – 7 elected members required to vote in favour.

### **STAFF/COMMITTEE RECOMMENDATION/COUNCIL DECISION**

Moved Cr White /seconded Cr Lauder

**That the Chief Executive Officer be delegated the exercise of the Council's powers and duties as detailed in the register attached to this report.**

CARRIED BY ABSOLUTE MAJORITY 11/0

5:46pm

#### Background

Section 5.42(1) of the *Local Government Act 1995* provides that a local government may delegate to the CEO the exercise of any of its powers or the discharge of any of its duties under this Act.

Section 5.46 (2) of the *Local Government Act 1995* provides that at least once every financial year, delegations made are to be reviewed by the delegator.

The review was last conducted in June 2009.

The purpose of this report is to:

- a) Review and confirm where Council cannot delegate.
- b) Review and confirm the Council's delegations to the CEO.
- c) Review and confirm where the Local Government Act and City of Subiaco Local laws prescribes specific powers to the CEO.

### Detail

In addition to the actual Acts and regulations the following statutes and Acts have been reviewed:

- a) Statutes (Repeals & Miscellaneous Amendments) Act 2009.
- b) Local Government Amendment Act 2009.

The review of the registration of delegations attached to this report cover the following:

- Delegations of Authority which are prohibited under the *Local Government Act 1995* and Council is to perform that power or duty.
- Register of Delegations of Authority to the CEO under regulations from Council under the *Local Government Act 1995*.
- Register of delegations of authority to the CEO directly under the delegations under *Local Government Act 1995*.
- *The Local Government (Miscellaneous provisions) Act 1960*.
- *The Strata Titles Act*.
- *The Liquor Licensing Act*.
- *The Health (Public Buildings) Act 1911*.
- *The Environmental Protection (Noise) regulations 1997*.
- *The Food Act 2008*
- The City of Subiaco Local Laws to the Chief Executive Officer.
- Where Council has made a policy about the matter and the staff implement that particular function or may carry out the function administratively, under the Local Government (Uniform Local provisions) Regulations 1996 (attached).

The only change to the delegations or authorisations in this report is the inclusion of provisions of the 2008 Food Act. The only other changes to the register are made to clarify where the authorisation comes from and what the delegation is for.

Delegations under the City's Town Planning Scheme are not dealt with here.

Delegations under the Health Act 1911 are not dealt with here.

### Consultation

There are no consultations requirements for this report.

### Statutory and Policy Considerations

*Section 5.42* of the *Local Government Act 1995* allows a local government to delegate to its CEO the exercise of any of its powers or the discharge of any its duties under the Act, subject to certain limitations.

The delegation is to be in writing and may be general or subject to whatever conditions Council requires.

*Section 5.43* prescribes that a local government cannot delegate to a CEO any of the following powers or duties:

- a) Any powers or duty that requires a decision of an absolute or a 75% majority of Council;
- b) Accepting a tender which exceeds an amount determined by Council;

- c) Appointing an auditor;
- d) Acquiring or disposing any property valued at an amount of exceeding an amount determined by Council;
- e) Exercise of any of the local government's powers relating to council or committee meeting attendance fees, allowance for deputy mayor, reimbursement of elected members' expenses and determination of elected members' allowances;
- f) Borrowing money on behalf of local government;
- g) Hearing of determining an objection to a refusal to grant a permit or authorization allowed under Section 9.5 of the Act;
- h) Any power or duty that requires the approval of the Minister or Governor; or
- i) Such other powers or duties as may be described.

### Strategic Implications

Council, in line with other local authorities and good management practice, delegates decision and the exercise of its powers and duties to its Chief Executive Officer in order to achieve efficiencies or to conduct decisions in a timely manner.

### Financial, Social and Environmental Implications

There are no financial, social or environmental implications arising from this report.

### Attachments

1. Registers of Delegations of Authority and Authorisations (62 pages)

## **T7 REVIEW OF COMMITTEE ARRANGEMENTS OF COUNCIL**

Prepared by: Scott Hawkins, Director Corporate Services  
 Supervised by: Stephen Tindale, Chief Executive Officer  
 Date: 15 June 2010  
 File ref: A/2204  
 Voting requirements: Simple - more than half elected members present required to vote in favour

### **STAFF/COMMITTEE RECOMMENDATION/COUNCIL DECISION**

Moved Cr White/seconded Cr Hemsley

**That reports dealing with matters within the responsibility of the Director Community Development be submitted through the Corporate and Technical Services Committee to Council.**

CARRIED 11/0

5:45pm

### Background

In April 2004, council established the current monthly meeting structure comprising a concept forum, Corporate and Technical Services Committee, Planning Committee and the Council meeting.

While establishing the meeting structure council resolved that the Planning Committee would deal with matters within the responsibility of the Director of Development Services and the Corporate and Technical Services Committee would deal with matters within the responsibility of the Director Corporate Services and Director Technical Services.

The Planning Committee was given delegated authority to determine development applications.

The purpose of this report is to recommend that items relating to the Director Community Development be dealt with at the Corporate and Technical Services (CaTS) Committee meeting.

### Comment

Since 2004 the city has undergone several internal structural changes.

The first resulted in a fourth directorate, 'Community Services', being created and becoming responsible for community development, community care services and library services.

The Director Development Services retained the areas of building, health, planning and sustainable development, and became responsible for field services with a more statutory focus. Further refinement of the structure resulted in sustainable development moving to the renamed Community Development Directorate.

The majority of reports to committee from both these directors continued to be presented through the Planning Committee. At the next council elections when the committees were re-established the Planning Committee was renamed the Development and Community Services Committee.

In the last twelve months the council resolved to create a fifth directorate of land and property, and to take on the operation of the Lords recreation centre.

These changes have resulted in reports of an organisational, corporate and technical nature being presented across two different committees.

Both committees have the Mayor and twelve councillors as members and recommend all matters to council for final decisions, other than development applications dealt with under delegation at the planning committee.

At the planning committee, the majority of the public attend in relation to development applications, which can result in the order or business being changed to accommodate their attendance and to deal firstly with items in which a large number of people are interested.

The result of changing the order of business is that reports of an organisational nature are shifted to later in the agenda. This can create confusion for the public, elected members and staff.

With the adoption, in March 2009, of enbloc processes at committee and council the time taken to deal with matters has been improved, however, the nature of planning applications means these are less likely to be dealt with 'enbloc'. Public statements and questions relating to developments are a feature of planning committee deliberations and result in longer meeting times.

In comparison the CaTS Committee does not generally have a large number of public statements or questions and on average run for one to two hours.

The table below shows the number of reports and timing of the CaTS Committee since the introduction of the enbloc processes.

<i>Date</i>	<i>No. of Reports</i>	<i>Number Enbloc</i>	<i>No. Confidential Items</i>	<i>Start of Meeting</i>	<i>Closure for Confidential Items</i>	<i>End of Meeting</i>
18/05/2010	3	0	3	5.38pm	6:17pm	7:38pm
20/04/2010	2	0	3	5.34pm	5:50pm	6:42pm
16/03/2010	5	3	1	5.32pm	6:01pm	6:27pm
16/02/2010	10	4	5	5.30pm	7:57pm	8:19pm
8/12/2009	4	1	1	5.30pm	6:19pm	6:37pm
17/11/2009	10	3	0	5.30pm	na	7.17pm
15/09/2009	6	2	3	5.30pm	5:58pm	6:31pm
18/08/2009	6	3	4	5.33pm	6:09pm	8:00pm
21/07/2009	14	6	3	5.30pm	7:04pm	7.32pm
16/06/2009	12	6	1	5.30pm	7:23pm	7.26pm
19/05/2009	15	8	2	5.30pm	6:29pm	7:17pm.
21/04/2009	12	6	6	5.30pm	6.05pm	6.09pm
17/03/2009	7	3	0	5.30pm	na	7:12pm

Staff believe that matters under the responsibility of the Director Community Development which are of an organisational nature, and average one to two reports per month should be presented to CaTS. The number of reports would not increase significantly the time to deal with matters and would allow input of an organisational nature from the other directors that attend CaTS.

This will also enable the planning committee a greater ability to deal with items that are likely to arise in conjunction with council's recent resolution to review its Town Planning Scheme.

#### Consultation

No public consultation is proposed on these matters.

#### Statutory and policy considerations

Sections 5.8 to 5.25 of the Local Government Act are relevant to committees and their meetings. The Standing Orders local law and Elected Members and Public Policy 2.5 - Council Meeting Arrangements also relate to these matters.

#### Strategic implications

These recommendations are expected to contribute to better governance and help elected members to make decisions, and is consistent with the aims of the Strategic Plan, specifically good governance "*to provide outstanding leadership and make well informed decisions*"

Financial, social and environmental implications

There are no direct social, environmental or financial implications associated with this report.

Attachments

There are no attachments to this report

**T8 LOCAL GOVERNMENT REFORM SUBMISSION**

Prepared by: Stephen Tindale, CEO  
 Date: 14 June 2010  
 File ref: A/301-01  
 Voting requirements: Simple - more than half elected members present required to vote in favour

**STAFF/COMMITTEE RECOMMENDATION/COUNCIL DECISION**

Moved Cr White/seconded Cr Wells

1. **That the City of Subiaco enter into a Regional Transition Group with the City of Nedlands.**
2. **That the City of Subiaco remain open to any other local government joining the proposed Regional Transition Group.**

CARRIED 9/2  
 CRS HEWETT & ROWE VOTED AGAINST  
 5:53pm

Background

The City of Nedlands has invited the City of Subiaco to enter into a Regional Transition Group with the City of Nedlands (see Attachment 1).

Both the federal and state governments are prepared to fund an investigation into the case for a potential amalgamation of the City of Nedlands and the City of Subiaco on a no-obligation basis (see Attachments 2 and 3).

None of the other western suburbs local governments have reached agreement on the formation of a Regional Transition Group. This demands a rethink of the City of Subiaco's approach to local government reform.

*Detail*

Council will recall that in February 2009, the Minister for Local Government announced wide-ranging strategies for the reform of local government in Western Australia. As part of the reform process, the Minister asked each local government to provide a reform submission to his office by 30 September 2009.

The City of Subiaco's reform submission advocated two significant boundary adjustments with the City of Nedlands together with minor boundary adjustments with the City of Perth and Town of Cambridge. The proposed boundary adjustments with the City of Nedlands were conditional upon the successful merger of the remainder of the City of Nedlands with the Town of Claremont. The merger was advocated in the interests of retaining a strong community of interest and ensuring the economic viability of the new local government entity to the west of Subiaco.

The reform submission also proposed that the number of elected members on the Council of the City of Subiaco remain at 13 and that the WESROC regional grouping of Mosman Park, Peppermint Grove, Cottesloe, Claremont, Nedlands and Subiaco remain as the preferred regional grouping for the City of Subiaco.

In December 2009 the Minister wrote to the City of Subiaco advising that he had;

*...determined that the best way to move forward is through the creation of Regional Transition or Regional Collaborative groups...[and]...that the optimal reform option for your local government is to engage with neighbouring local governments to form a Regional Transition Group...*

*A Regional Transition Group will provide the structure for transitioning several local governments into a single entity by 2013. It is to be established under a formal no opt out provision between participating local governments and will facilitate the harmonisation of core functions and services across participating local governments.*

The no-opt-out provision generated significant concern for many local governments given that the amalgamation process was meant to be voluntary rather than compulsory.

As a consequence, the Minister modified his stance to allow local governments to opt out of a Regional Transition Group after the submission of a business plan for an amalgamation proposal to the Department of Local Government.

The Minister asked the City of Subiaco to indicate by the 26 March, 2010 the city's willingness to proceed to a Regional Transition Group.

The City of Subiaco subsequently advised the Minister for Local Government that it did not wish to proceed to a Regional Transition Group. This advice was consistent with earlier reform scenarios considered by WESROC that saw:-

1. The City of Subiaco remaining largely as it is,
2. Nedlands and Claremont amalgamating, and
3. Claremont, Cottesloe, Mosman Park and Peppermint Grove amalgamating.

As it turns out, Claremont Council supports the formation of a Regional Transition Group with one or more of Cottesloe, Mosman Park and Peppermint Grove but not Nedlands.

In an all or nothing bid, Cottesloe Council supports the formation of a Regional Transition Group with Claremont, Mosman Park and Peppermint Grove (plus the localities of North Fremantle and Swanbourne).

Mosman Park and Peppermint Grove Councils have no interest in forming a Regional Transition Group.

Nedlands council is willing to form a Regional Transition Group with one or more western suburbs local governments. To that end the City of Nedlands has now invited the City of Subiaco to enter into a Regional Transition Group with them (see Attachment 2).



As previously stated, the City of Subiaco's 2009 reform submission to the Minister was based on two significant boundary adjustments with the City of Nedlands. These boundary adjustments recognised communities of interest centred on parts of the suburbs of Nedlands (near UWA and QEII) and Shenton Park (north of the railway line) for potential inclusion within the City of Subiaco.

The proposed boundary adjustments were made contingent on the remainder of the City of Nedlands amalgamating with the Town of Claremont in order to create a larger, viable unit of local government to the immediate west of Subiaco.

At the time of making the submission, it was understood that the local governments of Mosman Park, Cottesloe and Peppermint Grove were interested in forming a larger unit of local government.

In the present environment, the above scenario does not look like coming to pass and as a consequence, council is asked to reassess its declared position of wanting to remain largely as it is presently constituted.

#### Comment

In simple terms, the City of Subiaco's preferred position of remaining independent has been weakened by the lack of any collective will by neighbouring local governments to amalgamate or form Regional Transition Groups. Had such a will been exercised, the new local governments could have become strong future allies of the City of Subiaco and provided a bulwark against any wholesale amalgamation of the western suburbs local governments.

In the absence of any voluntary reform effort in the western suburbs, an imposed reform agenda now seems more likely – particularly if a new state government is elected with a majority in its own right.

This could range from the City of Subiaco being incorporated into an enlarged City of Perth or, in a more likely scenario, the City of Subiaco being incorporated with the remaining five (and potentially six) western suburbs local governments.

If the city is amalgamated with the City of Perth (based on capital city planning requirements) then local community interests are likely to be much harder to defend.

#### *Existing Synergies*

There are compelling synergies between the City of Subiaco and the City of Nedlands. Without going into the political intricacies of each and their relative rankings they include:

- QEII
- UWA & Shenton Park (north)
- Heritage
- Undergrounding of power
- State sports facilities
- Hampden Road and Broadway
- Urban renewal
- Transport corridors and provision
- Administration and depot rationalisation
- Capital City planning framework

- Family values and inclusion
- Locality/precinct preservation and enhancement
- Retail, commercial and light industry provision and support
- Environmental protection (water, waste, bushland corridors)
- Political alignment with the Legislative Assembly seat of Nedlands

### *Environmental Scan*

It is worth reflecting on the changed political environment that the City of Subiaco now finds itself in.

In 1952 the Municipal District of Subiaco gained its 'City' status with a population of just over 20,000. The population of the state was estimated to be 614,833 of which 364,000 (60%) could be found in the metropolitan area. On average, each Member of the Legislative Assembly (MLA) represented 12,300 electors.

In 2009 the City of Subiaco had an estimated resident population of 18,625 (11,375 less than the current threshold for city status). The population of the state was estimated to be 2,236,901 of which 1,655,306 (74%) could be found in the metropolitan area. On average, each MLA represented 37,900 electors.

In relative terms, where Subiaco residents once comprised 5.5% of the metropolitan population, the population now comprises 1.1% of the metropolitan population. In the same period the average population served by each MLA has increased threefold.

Based on these figures, it is not difficult to see why state parliamentarians might form the view that WA local governments are generally over-served by elected local government councillors in the inner metropolitan area.

The year of 1952 (the year that Subiaco gained its city status) is also notable as being the year of the first of many state government reviews into the number of local governments in WA. While each review has generally seen a lessening of the number of local governments in WA, the reduction in numbers has been incremental rather than profound.

WA's experience of local government reform sits in stark contrast to that of every other state (and the Northern Territory) where wholesale and largely interventionist change has been the norm.

Despite the ad-hoc approach of the current Minister for Local Government to local government reform, there is little doubt that he has forced local governments in WA to demonstrate their willingness to reform voluntarily. The response has been less than overwhelming and potentially gives a new state government a strong argument for forced amalgamation - if it is to follow the line of other state government jurisdictions.

In March this year I advised council as follows:

*While smaller units of local government make for a more engaged community, it should be recognised that fundamental change is in the air. The Rudd government wants to actively collaborate with larger and more professional units of local government...*

*The Deputy Prime Minister, Julia Gillard, has confirmed the agenda. Larger units of local government are more likely to become the vehicles for the delivery of federal programs at a regional level rather than at a local level. In other words, smaller units of local government are unlikely to receive funding for the delivery of major programs or infrastructure.*

*The current political environment also lends itself to state governments being bypassed in favour of local governments in the delivery of certain Commonwealth programs. As an example, one can look to the recent \$1bn Regional and Local Community Infrastructure Program. The Australian Centre of Excellence for Local Government is another recent Canberra initiative intended to elevate the status and capability of local governments.*

*It's not just local government that is being incentivised with the carrot-and-stick approach. More power to hospital boards rather than a central State health bureaucracy is another example of Federal Government devolution premised on the provision of funding with conditions.*

*The Commonwealth Government has made it clear that assistance with infrastructure funding will be dependent on the States having demonstrated that realistic planning is in place to cater for future population growth. The State Government's Capital City Planning Framework is, in part, a response to the Commonwealth Government's agenda. Unless the State Government gets its act together in terms of planning for future population growth, the Commonwealth Government will not be party to the provision of funds for the development of poorly conceived infrastructure. Like it or not, as an inner city local government, the City of Subiaco is now caught up in the Capital City Planning Framework i.e. an agenda that is being driven by higher levels of government and an agenda that may have unexpected consequences for the city.*

*We are also witnessing changes intended to aid the development industry by reducing the industry's overhead costs in dealing with government agencies and local governments. Changes in the way development and building approvals are dealt with by local government are likely to be entrenched within a year. The business of local government, in certain functional areas, is likely to be less concerned with the detail and more concerned with strategic outcomes. Strategic outcomes will be increasingly aligned with State and Commonwealth Government objectives and there is plenty of evidence of that with Model Scheme Texts and State Planning Policies currently under review.*

*The "non-politicisation" of local government in Western Australia is often seen as a saving grace rather than a failing. However the business of politics (who gets what, where and when) means that some will miss out while others will be favoured. That has always been the case but it may be even more so in the future. The invitation to create larger local governments is an invitation to exercise greater political power.*

As previously reported to council, there are opportunities and challenges for the City of Subiaco in joining a Regional Transition Group with one or more local governments. The following arguments have been put to council before but have been recast in light of the recent approach from the City of Nedlands.

### *Opportunities in forming a Regional Transition Group*

There are long term cost savings to be obtained in forming a Regional Transition Group. With the homogenisation of local government works and services, economies of scale in the delivery of works and services will be realised. Cost savings can be redirected to additional works and services where required.

A larger unit of local government will see the shedding of a surplus CEO position, director positions and to a much lesser degree, manager positions. With the cost savings from reduced overheads, the new local government will be better equipped to recruit and retain better paid, qualified and experienced staff. The technical capabilities of the larger local government unit will be enhanced. A larger local government unit covering a larger geographic area means that the two resident populations are more likely to receive services from previously unaffordable specialist staff e.g. environmental officers and qualified legal officers.

With more staff, the opportunity for career-path and succession planning is enhanced for general staff, manager and director positions.

With more technical expertise (managers and below) and an increased financial base, the new local government will be better placed to respond to the opportunities and challenges presented by other levels of government. The new town planning environment and the challenges posed by the Subiaco Redevelopment Authority (and its ilk), Subiaco Oval, QEII and UWA will demand a cashed-up local government with excellent staff resources to protect and enhance the interests of our local communities.

Subject to sound debt management policies, a larger unit of local government will have greater financial resources to direct at discrete projects. Two projects that come to mind are the undergrounding of power and riverbank protection.

A larger local government unit in the western suburbs could also expect to exert greater political power in determining who represents the state electorate of Nedlands and, to a lesser extent, the Commonwealth electorate of Curtin. Candidates for state and Commonwealth parliaments may well come from within the elected members of a new council.

If the city chooses to be part of the proposed Regional Transition Group, it will be expected to plan the development and delivery of common systems and, where possible, undertake the delivery of the following services to the region together with any additional services the Regional Transition Group decides.

The services that have been identified by the Minister include:

- corporate services, including records, finance, information technology, rating, human resources, payroll and workforce;
- strategic planning, including local laws, town planning, asset and financial planning;
- environmental health, natural resource management, building and development approvals;
- economic development;
- community planning and engagement;
- road infrastructure and transport;
- waste management; and
- infrastructure planning and asset management.

There will be distinct benefits in leading the reform agenda in the metropolitan area by way of increased state government financial and political support. In other words, existing community interests are likely to be better protected through the patronage of the state government.

Other local governments in the western suburbs may look to the new local government as a leader and a contractor for the supply of works and services into existing local government areas.

While the size of the task should not be underestimated, bringing different organisational cultures together voluntarily at the political and administrative levels in a voluntary manner has its parallels in the business world. A private enterprise merger involving a few rather than several companies usually means that choices become simplified. Instead of wrestling with the harmonisation of several systems, the choice may simply reduce to one of 'theirs' or 'ours'. Superior systems are retained while inferior systems are summarily dispatched.

#### *Challenges in forming a Regional Transition Group*

If the City of Subiaco chooses to be part of a Regional Transition Group, the group will need to prepare a Regional Business Plan for an amalgamation proposal.

While a three year time frame to harmonise services seems realistic, the reality is that the development of a Regional Business Plan will require dedicated staff resources i.e. a project team. These resources will need to be taken 'off-line' in regimented time blocks if the time frame is to be met. An independent office away from day-to-day operations may be required.

The group will be charged with the responsibility of delivering, at the minimum, an integrated strategic plan (i.e. a community-based strategic plan that delivers and harmonises the aspirations of Nedlands and Subiaco residents), a long term financial plan and an asset management plan. These plans will need to be developed in conjunction with and tested against both the Subiaco and Nedlands communities.

While there will be a direct cost in diverting staff to the project from time to time, these costs can be recouped in a large part from state and commonwealth government sources. These costs are likely to be much less than the potential long-term benefits.

If the Regional Business Plan for an amalgamation makes good business sense, the City has much to gain and little to lose. If the Regional Business Plan for an amalgamation does not make good business sense, then the City will be better informed in defending the status quo.

#### *Where to from here?*

The benefits of smaller local government units are well known to elected members of the City of Subiaco and there is little point in repeating them here.

The work of a Regional Transition Group consisting only of a few local governments would be considerably easier than the work of a Regional Transition Group consisting of several local governments. The City of Subiaco and the City of Nedlands organisations have good human resources and technical capabilities to harmonise the delivery of works and services over a three year period.

Nedlands is not without its own internal problems if the public record is to be believed. There is some concern that its tendency for political infighting may well be visited on the residents of the City of Subiaco in the event of an amalgamation. A new local government unit will have to rise above this.

This can only be achieved if there is a congruity in terms of each community's vision for the future which the new council is prepared to stand by. This can only be discovered through an earnest and thorough community engagement process in the transition period.

It should also be understood that the potential for political infighting will be lessened if the geographic size of the local governments and the number of electors required to elect a council member is increased. In other words the opportunity of being elected to council on a single issue platform, rather than an inclusive platform, is likely to be lessened. This should reduce the potential for ongoing divisiveness.

The quality and longevity of the infrastructure assets of the City of Nedlands has also been called into question. However there has been no independent test of their standing and it appears that the condition of the assets may have been under-valued. The work of a Regional Transition Group should easily be able to verify or discount this opinion within the proposed three year transition time frame.

#### *A sense of urgency*

It is open to the City of Subiaco is to stand by and allow events to take their course. After all, the debate on local government reform in WA has been off and on again for almost 50 years with little change. The western suburbs local governments have always been resolute in maintaining their independence. Perhaps the same approach will hold good for the next fifty years. Why should the City of Subiaco and the City of Nedlands take the lead in forming the only Regional Transition Group in the metropolitan area?

Here are some reasons:

- Since 1952 all manner of state governments have sought local government reform. With significant population growth and bigger and bigger units of local governments in the outer metropolitan area, the only thing protecting western suburbs local governments from being targeted now, is the continued patronage of the political parties by wealthier western suburbs residents. At some point in time the political power of larger local governments will take precedence and the western suburbs will be of less political relevance.
- All members of parliament have experienced significant increases in the populations they represent and the complexities of government. While the complexities of government have increased for all councillors in the western suburbs, the populations they represent have stayed the same. State government MP's are unlikely to have little sympathy for the professed special needs of the western suburbs local governments – particularly if the state government is rolling out the reform agenda in larger regional centres.
- Commonwealth and state governments much prefer to deal with local governments who have regional influence and can provide growth. They will provide infrastructure to that end (e.g. mass rapid transport systems) if there is an economic return to the state or nation. In their present form, the western suburbs local governments are not capable of delivering a coherent vision for the future based on increased population density and improved infrastructure.
- The resolution of tensions between economic, social and environmental goals is becoming more complicated rather than simpler. As an example, the original intent of the Subiaco Redevelopment Act has been radically transformed. While the Act originally envisaged a collaborative effort between the city and the state government in rejuvenating waste industrial land for intensified urban settlement, the reality is that the purpose of the Act has been transformed to one of

maximising revenue for the state government regardless of the consequences for the local community. The SRA's attitude is indicative of a hardening of attitudes to the planning powers of local governments who will not fall in line with state objectives. Larger units of local government will be required in order to take the fight up to the state government on behalf of local residents.

- The resilience of any local government depends on the leadership exercised by elected members and the depth and quality of its staff. The current organisational structure of the City of Subiaco is unlikely to be sufficient to carry it forward into the next 30 years if its growth over the last 30 years is any indicator. Good leadership demands proactive rather reactive behaviour. The formation of a Regional Transition Group will facilitate continued leadership and development of the organisation for the betterment of residents and ratepayers.

### Consultation

The CEO has consulted with the CEOs of Nedlands and Cambridge on matters relating to structural reform.

### Statutory and policy considerations

Currently the Minister has powers under Schedule 2.1 of the *Local Government Act 1995* to make proposals to the Local Government Advisory Board about creating, changing the boundaries of and abolishing local government districts.

It is understood that the Minister will shortly be making representation to State Cabinet on legislative change intended to facilitate local government reform.

### Strategic implications

There are strategic advantages to be obtained in forming the proposed Regional Transition Group as identified above. They include:

- Generous financial support from state and Commonwealth governments.
- The demonstrated exercise of leadership and capacity.
- The political advantages of being amongst the first to contemplate change.
- The gathering of information that will facilitate an informed decision at a later date.

### Financial, social and environmental implications

Specific details of the financial assistance for the formation of a Regional Transitional Group have yet to be ascertained. Greater certainty can be expected with the State Government's response to the Minister's report on the findings of the Local Government Structural Reform Steering Committee.

The City of Subiaco and the City of Nedlands might expect that a significant amount of funding could be found for the only Regional Transition Group in the metropolitan area - subject to state government endorsement.

### Attachments

1. Correspondence from City of Nedlands (1 page)
2. Correspondence from the Minister for Local Government (3 pages)
3. Ministerial press releases (2 pages)  
[http://www.minister.infrastructure.gov.au/aa/releases/2010/April/AA308\\_2010.htm](http://www.minister.infrastructure.gov.au/aa/releases/2010/April/AA308_2010.htm)  
<http://www.mediastatements.wa.gov.au/Pages/WACabinetMinistersSearch.aspx?ItemId=133535&minister=Castrilli&admin=Barnett>

**T9 DRAFT ANNUAL BUDGET 2010/2011**

Prepared by: Felicity Faranda, Manager Financial Services  
 Supervised by: Scott Hawkins, Director Corporate Services  
 Date: 15 June 2010  
 File ref: A/942-04  
 Voting requirements: Absolute majority - 7 elected members required to vote in favour

**STAFF/COMMITTEE RECOMMENDATION/COUNCIL DECISION**

Moved Cr White/seconded Cr Arbuckle

**That the Council adopt the 2010/2011 Annual Budget for the City of Subiaco, including the following:**

1. **The 2010/11 Budget Document, which includes the Income Statement by Program/Nature & Type, Cash Flow Statement, Rate Setting Statement and Statement of Non-operating Expenditures, Notes to and forming part of the Budget, Schedule of Fees and Charges, and Supporting Schedules.**
2. **A General Rate of 6.350 cents in the dollar on the Gross Rental Value of all rateable property within the district of the City of Subiaco.**
3. **A minimum rate of five hundred and ninety three dollars (\$593) in the General Rate in respect of any rateable property.**
4. **A Discount of four percent (4%) for payment of Rates made prior to 4.00pm on the due date, being 35 days after the date of Notice of valuation and rate.**
5. **The option of payment of rates by instalments as detailed in the Budget Document.**
6. **An interest charge on unpaid rates of eleven percent (11%) per annum, calculated daily, on those rates unpaid after the due date for payment and also on the outstanding balance of instalments unpaid after the due date for payment.**
7. **A Waste Service Charge of \$164 for one 80 litre waste service, \$210 for one 120 litre waste service or \$315 for one 240 litre waste service per property per week.**
8. **In addition to the deferment and/or rebate entitlements of pensioners and seniors, a 50% discount or rebate on waste charges for holders of the Commonwealth Seniors Health Card.**
9. **A Specified Area Rate of 1.1490 cents in the dollar on all rateable properties within the defined area of the Subiaco Central Business District as allowed under s6.37 of the *Local Government Act 1995* to be used to promote the Subiaco Central Business District.**
10. **A Emergency Services Levy (ESL) Rate of 0.0145 cents in the dollar on the Gross Rental Value of all properties in ESL category one within the district of the City of Subiaco.**
11. **A maximum rate of two hundred and sixty (\$260) in the ESL Rate is applied in respect of Residential, Farming and Vacant Land.**
12. **A maximum rate of one hundred and fifty thousand dollars (\$150,000) in the ESL Rate be applied in respect of Commercial, Industrial and Miscellaneous Land.**
13. **A minimum rate of fifty dollars (\$50) for the ESL in respect of any property.**
14. **An interest charge for the late payment of ESL of eleven percent (11%) per annum, calculated daily be applied to all ESL properties.**

Cont'd/



**15. Two budget reviews are to be conducted, in the months of November and March of each year in accordance with Council Policy. A variance value of \$50,000 or greater be used to report material variances in the Finance Activity Statement in accordance with regulation 34 of the *Local Government Financial Management Regulations 1996*.**

CARRIED BY ABSOLUTE MAJORITY 11/0

5:54pm

### Background

The purpose of this report is to recommend adoption of the budget for the 2010/11 financial year. The budget was discussed at the concept forums held on 4 May 2010 and 1 June 2010.

### Comment

The 2010/11 Budget is predicated on numerous past council decisions and updated to reflect the city's new Strategic Management Plan and the Strategic Financial Plan 2010-2040 that is currently under review.

### Rates and Charges

The proposed rate in the dollar to achieve a balanced budget is 6.350 cents in the dollar compared to 6.1008 cents in the dollar in 2009/10. This represents an increase of approximately 4.0%.

The city's Strategic Financial Plan provided for a rate increase of approximately 1% above inflation to fund new initiatives and improvements. The local government cost index was 2.0% and CPI was 3.0% in Western Australia, for the quarter ending March 2010.

As an incentive for prompt payment, the city allows a discount for ratepayers who settle their rate bill in full within 35 days. Since 2002/03 the discount offered has been 4%. The discount is an incentive for prompt payment, with about 57% of ratepayers taking advantage of the offer.

As an alternative to payment in full, the option of paying in four instalments continues to be available.

Pensioners are eligible for up to 50% rebate off the rate amount or able to defer the full amount of the rates. The city also provides for a 50% discount on waste service charges.

Seniors holding Senior Commonwealth Health Care cards are treated as pensioners and have the same entitlements as above.

All other seniors are able to claim a rebate for up to 25% of the rates amount capped at currently \$244.80 in 2009/10, and have no deferment entitlement nor discount on the waste services charge.

The minimum rate is proposed to change from \$570 to \$593.

A comparative analysis of the minimum rate charge for neighbouring Councils include:

<i>Local Government</i>	<i>Minimum Rates + 120Ltr Bin Charge * 2009/2010</i>
Nedlands	\$ 1,208.00
Claremont	\$ 925.00
Mosman Park	\$ 846.00
Peppermint Grove	\$ 802.00
Cottesloe	\$ 800.00
Subiaco	\$ 750.00
Cambridge	\$ 728.00
Victoria Park	\$ 715.00
Vincent	\$ 572.00

\* Includes waste service charges where these are separate from rates to ensure consistency of comparisons.

A Waste Service Charge of \$164 for one 80 litre waste service, \$210 for one 120 litre waste service or \$315 for one 240 litre waste service per property per week up from \$144 (80L), \$180 (120L) and \$270 (240L) as resolved by council in May.

Any increase to Other Fees and Charges are limited to increases in accordance with the strategic financial plan.

The specified area rate levied for the purpose of contributing towards the promotion of the Subiaco Business District remains unchanged at 1.1490 cents in the dollar and is shown as a separate item on the rate notice.

The Emergency Services Levy is collected on behalf of the State Government. Pensioner and seniors' rebates apply. The city is required to collect the levy and remit the funds to FESA. The levy is shown as a separate item on the rates notice at a rate of \$0.0145 cents in the dollar.

#### Statutory and policy considerations

Section 6.2 of the *Local Government Act 1995* requires a local government to prepare an annual budget for the financial year ending on the next following 30 June.

That section provides for the Budget to contain estimates relating to:

- Expenditure
- Revenue and income (independent of general purpose rates)
- The amount required to make up the deficiency (i.e. amount required from general rates)
- Details of rate of interest to be charged by the local government on unpaid rates and service charges
- The fees and charges to be imposed
- Particulars of borrowings
- Details of the amounts to be satisfied in, or used from reserve funds.

#### Strategic implications

The Budget has been drawn up to advance the city's strategic directions based on the Strategic Financial Plan. It recognises the city's commitment to responsible stewardship by funding a wide range of activities throughout the community whilst seeking to keep the tax burden on the ratepayer at a reasonable level.

#### Financial, social and environmental implications

The financial social and environmental implications of the 2010/11 Budget are detailed in the attachment and above.

Attachments

1. Statutory Statements (City of Subiaco - Draft 2010/11 Annual Budget (5 pages)
2. Budget Notes (16 pages)
3. Supporting Schedules (11 pages)
4. Program Statements (13 pages)
5. Fees and Charges (5 pages)

## **T10 FINANCIAL STATEMENTS AND REPORTS FOR THE MONTH ENDING 31 MAY 2010**

Prepared by: Felicity Faranda, Manager Financial Services

Supervised by: Scott Hawkins, Director Corporate Services

Date: 8 June 2010

File ref: A/122-04

Voting requirements: Simple - more than half elected members present required to vote in favour

### **STAFF/COMMITTEE RECOMMENDATION/COUNCIL DECISION**

Moved Cr White/seconded Cr Hemsley

**That the financial reports for the period ending 31 May 2010, incorporating the following items, be endorsed:**

- **Financial activity statement report**
- **Balance sheet**
- **Cash flow statement**
- **Cash backed reserves summary**
- **Aged trial balance (debtors)**
- **Rates reconciliation and summary**
- **Summary of cash and investments**
- **Payments cash book**

CARRIED 11/0

5:45pm

Background

The monthly financial reports provide an overview of the city's financial performance. The attached reports represent a snap shot as at the 31 May 2010.

Comment*Financial activity statement report*

The city's revenues and expenditures are generally in line with budget expectations. The 09/10 budget has been amended to reflect variations relating to the gain on disposal of land and adjustments to interest revenue and lease revenue relating to the sale of St Ives. Revenues and expenditures are detailed in the financial statements attached.

*Balance sheet*

The city has current assets of \$57,358,948. The major components of which are cash and investments of \$56,751,846, rates debtors of \$296,110 and sundry debtors of \$360,546. There are current liabilities totalling \$4,303,205 and cash backed reserves of \$48,420,079.

*Cash flow statement*

Net cash provided by operating activities is \$3,278,468 for the period to date. The net cash used in financing activities is (\$795,737). Draw down of loans have not occurred to date. Overall the cash flow statement shows that the city is well placed to meet its budgeted obligations.

*Cash backed reserves summary*

The closing balance of cash backed reserves is \$48,420,079. The reserve summary shows all movements to and from reserve to achieve the expected closing balance. The report provides information on the city's ability to allocate funds for future projects by providing a closing balance comparison to budget. A reserve summary report is included in the attachments.

*Aged trial balance (debtors)*

The report provides a listing of outstanding debts payable to the City of Subiaco. The balance of debts outstanding at the 31 May is \$360,546.

All debts that have been paid or written off after the end of month have been highlighted on the attached report. Payments of \$36,127 have been received after 31 May reducing the balance of debts outstanding to \$324,419.

Chelmsford House P/L will pay outstanding debt by end of June 10. The city has requested Challenge Settlement Services enter into a payment plan with the city, on behalf of their client for the outstanding amount. The Manager of Community Development is consulting with Subiaco City Junior Soccer Club and D S Hamilton regarding their outstanding debt.

*Rates reconciliation summary*

Total rates and waste service charges levied for the year are \$20,764,944. The payments received to date total \$19,365,485, pensioner rebates claimed from State Treasury were \$701,822 and discounts allowed equalled \$283,927 for the period ending 31 May. These payments and reductions resulted in a balance outstanding for rates and waste service charges of \$413,641. A reconciliation of the rates and waste service charges is included in the attachments.

*Summary of cash and investments*

The overall balance of the city's cash and investments and financial assets is \$56,751,846. A summary of the cash and investments holdings is also included in the attachments.

The long term reserve fund investments of \$16,416,305 in the balance sheet represent the fair value of the current long term financial investments at the 30 June 2009 including the new deferred investment in Centro Living Pty Ltd of \$15,500,000. Goldman Sachs was sold in accordance with Council's decision for \$494,030 with a book value of \$473,510.

<i>INVESTMENT</i>	<i>FACE VALUE</i>	<i>BOOK VALUE 31 MAY 2010</i>	<i>VALUATION 31 MAY 2010</i>
Jacaranda Trust Series	\$500,000	449,535	\$499,765
Goldman Sachs	\$500,000	Sold as per Council Resolution	Sold as per Council Resolution
Corsair Pure	\$1,000,000	41,530	\$0
Deutsche Bank	\$500,000	425,240	\$459,205
Centro Living Pty Ltd	\$15,500,000	\$15,500,000	\$15,500,000
<b>TOTAL</b>	<b>\$18,000,000</b>	<b>\$16,416,305</b>	<b>\$16,458,970</b>

### *Payment to creditors*

Payment from the city's accounts for the period totalled \$2,799,855. Cheques were drawn and electronic fund transfers processed to the value of \$2,102,671 from the municipal fund and \$621 from the trust fund for payment of creditors. Employee payments, made via electronic funds transfer totalled \$696,563 for the period. Details of individual payments are listed in the payments cashbook included in the separate attachments. Material payments for the month were as follows:

<b>Cheque No.</b>	<b>Payee</b>	<b>Amount</b>	<b>Description</b>
460.33	WA Local Govt Superannuation Plan P	\$119,536.73	Payroll Deduction
461.132	SCM Earthmoving Contractors Pty Ltd	\$39,659.87	Mabel Talbot
461.180	Blue Collar People	\$30,936.24	Swamper and Path Sweeper
461.208	Synergy	\$32,472.18	Usage 25/02 - 24/03/10
461.3179	Pan Events Pty Ltd	\$36,186.56	Concert Coordination
461.37	Western Metro Regional Council	\$160,086.19	Tipping Fee
461.3707	Stiles Electrical & Communication	\$53,354.19	Rosalie Park Lights
461.611	D & M Waste Services	\$39,696.93	Storm Damage Clean Up
462.85	WA Treasury Corporation	\$65,019.60	Loan Repayments
463.994	Australian Taxation Office	\$206,152.00	Payroll Deduction

### Consultation

Public consultation was not relevant to the development of this report.

### Statutory and policy considerations

The *Local Government Act 1995* and the *Local Government (Financial Management) Regulations 1996* require a local government to prepare monthly financial reports. The reports are prepared based on the following statutory and policy considerations:

- (1) *Form of financial activity statement report — s. 6.4(2)*
- (2) *Payments from municipal fund or trust fund— s. 6.10(12) (13)*
- (3) *Trustees Act 1962 (Part III)*
- (4) *The city's investment asset policy.*

### Strategic implications

The city's financial reporting contributes to achievement of the Strategic Plan aim relating to responsible stewardship: "To manage the community's resources in the best long-term interests of all."

### Financial, social and environmental implications

The attachments show that the city's financial performance for 2009/2010 is essentially in line with its budget. There are no specific social or environmental implications of this report.

### Attachments

1. Financial activity statement report (2 pages)
2. Balance Sheet (2 pages)
3. Cash Flow Statement (2 pages)
4. Cash backed reserves summary (1 page)
5. Aged trial balance (debtors) (2 pages)
6. Rates reconciliation and summary (1 pages)
7. Summary of cash and investments (2 pages)
8. Payments cash book and schedule of accounts May 2010 (51 pages)

**11. STAFF REPORTS**

Nil

**12. ELECTED MEMBERS' MOTIONS OF WHICH PREVIOUS NOTICE HAS BEEN GIVEN****12.1 Business Tenancy Mix & Mainstreet Strategy****MOTION/COMMITTEE RECOMMENDATION/COUNCIL DECISION**

Moved Cr Rowe/seconded Cr Lauder

- 1. That the business tenancy mix audit be carried out every second year.**
- 2. That the city repeat the initiatives employed prior to the last elections to encourage owner occupiers to enroll and assist with the enrolment process similar to the program that the city carried out prior to the last elections and for this to be repeated every second year.**
- 3. That the council request a report from the Economic Business Sustainability Committee a suggested list of initiatives for a long term (5 year) Mainstreet Strategy for consideration of council.**

CARRIED 11/0  
5:55pm

**13. NEW BUSINESS OF AN URGENT NATURE APPROVED BY THE PRESIDING MEMBER OR BY A DECISION OF THE MEETING**

Nil

**14. ITEMS REQUIRING CLOSURE OF MEETING TO PUBLIC****PROCEDURAL MOTION**

Moved Cr Arbuckle/seconded Cr Jacobsen

**That the meeting be closed to the public for the purpose of discussing items 14.1 as it is required that these matters be dealt with behind closed doors under section 5.23 of the *Local Government Act 1995*, and item 14.2 which is confidential under the provisions of the Subiaco Redevelopment Authority Act.**

CARRIED 11/0  
5:56pm

## 14.2 SUBIACO REDEVELOPMENT AUTHORITY - UPDATE

Prepared by: Stephen Tindale  
 Date: 25 June 2010  
 File ref: A/1873  
 Voting requirements: Simple - more than half elected members present required to vote in favour

### STAFF RECOMMENDATION

Moved Cr White/seconded Cr Lauder  
**That the reports provided be noted.**

CARRIED 11/0  
 6:31pm

### Background

The Subiaco Redevelopment Authority (SRA) has agreed to provide a summary of SRA Board meeting outcomes following each meeting.

The *SRA Act 1994* provides for Council representatives on the SRA Board to disclose information to Council provided this disclosure occurs behind closed doors. Refer *SRA Act 1994*, Part 2, Clause 13 (3) (c):

- “(3) *a member must not disclose any information acquired by virtue of the performance of any function unless the disclosure is made –*
- c) *in the case of a member appointed under section 7 (1) (b) who is a member of the council of the City of Subiaco*
- (i) *in connection with the performance of his or her functions as a member of the council; and*
- (ii) *to a closed meeting, or a closed committee meeting, of the council.”*

This report is currently provided by the Chief Executive Officer of the SRA to the city.

## 15. BEHIND CLOSED DOOR DECISIONS – COUNCIL MEETING 29 JUNE 2010

Prepared by: Scott Hawkins, Director Corporate Services  
 Supervised by: Stephen Tindale, Chief Executive Officer  
 Date: 24 June 2010  
 File ref: A/100  
 Voting requirements: Simple - more than half elected members present required to vote in favour

### STAFF RECOMMENDATION/COUNCIL DECISION

Moved Cr Hewett/seconded Cr Turnbull

**That the Council Decision and the report background for items 14.1 and 14.2 of the council meeting held on 29 June 2010 be included in the minutes available to the public.**

CARRIED 11/0  
 6:33pm

Background

The purpose of this report is to give the public access to various resolutions, which have been made behind closed doors.

Comment

The *Local Government Act 1995* includes confidentiality provisions when a council meeting is dealing with certain prescribed matters. However, unless there are reasons for not doing so, any resolutions adopted by council should subsequently be included in the minutes, which are available to the public.

The resolution relating to items 14.1 and 14.2 of this meeting can be made available to the public. It is proposed that these resolutions be published in the minutes of this council meeting.

Consultation

There has been no consultation in relation to this matter.

Statutory and policy considerations

Section 5.23(2) of the *Local Government Act* provides that a council or committee meeting may be closed to the public to deal with:

- (a) a matter affecting an employee or employees;
- (b) the personal affairs of any person;
- (c) a contract entered into, or which may be entered into, by the local government and which relates to a matter to be discussed at the meeting;
- (d) legal advice obtained, or which may be obtained, by the local government and which relates to a matter to be discussed at the meeting;
- (e) a matter that if disclosed, would reveal:
  - (i) a trade secret,
  - (ii) information that has a commercial value to a person, or
  - (iii) information about the business, professional, commercial or financial affairs of a person
  - (iv) where the trade secret or information is held by, or is about, a person other than the local government;
- (f) a matter that if disclosed, could be reasonably expected to:
  - (i) impair the effectiveness of any lawful method or procedure for preventing, detecting, investigating or dealing with any contravention or possible contravention of the law,
  - (ii) endanger the security of the local government's property, or
  - (iii) prejudice the maintenance or enforcement of a lawful measure for protecting public safety,
- (g) *information which is the subject of a direction given under section 23 (1a) of the Parliamentary Commissioner Act 1971; and*
- (h) such other matters as may be prescribed.

In addition, Section 5.93(3) provides that a person's right to inspect information does not extend to the inspection of confirmed minutes of council or committee meetings, notice papers, agendas and documents presented or tabled at those meetings, if the meeting or that part of the meeting to which the information refers:

- (a) was closed to members of the public, or



- (b) in the CEO's opinion, could have been closed to members of the public but was not closed.

Strategic implications

This initiative contributes towards the city's Good Governance and Community Focus aims.

Financial, social and environmental implications

There are no specific financial, social or environmental implications associated with this report.

Attachments

No attachments

## **16. CLOSURE OF MEETING**

The Presiding Member declared the meeting closed at 6.34pm.