



CITY of PERTH

Lord Mayor and Councillors,

NOTICE IS HEREBY GIVEN that the next Ordinary Meeting of the Council of the City of Perth will be held in the Council Chamber, Level 9, Council House, 27 St Georges Terrace, Perth on **Tuesday, 17 May 2016 at 6.00pm.**

Yours faithfully

MARTIN MILEHAM
CHIEF EXECUTIVE OFFICER

12 May 2016

VISION STATEMENT

Perth is renowned as an accessible city. It is alive with urban green networks that are safe and vibrant. As a global city, there is a diverse culture that attracts visitors. It provides city living at its best. Local and global businesses thrive here. Perth honours its past, while creating a sustainable future.





CITY of PERTH

COUNCIL CHAMBERS SEATING LAYOUT



Manager Governance
Mark Ridgwell



The Right Honourable
The Lord Mayor
Ms Lisa-M. Scaffidi



Chief Executive
Officer
Martin Mileham



Director Community and
Commercial Services
Rebecca Moore



Cr Judy McEvoy



Cr Janet Davidson
OAM JP



Personal Aide to
the Lord Mayor
Paul Anastas



Cr Reece Harley



Cr Jemma Green



Director
Construction and
Maintenance
Paul Crosetta

Acting Director Planning
and Development
Erica Barrenger



Manager Development
Approvals
Margaret Smith



Cr Keith Yong



Cr Lily Chen



Director Corporate
Services
Robert Mianich



Cr James Limnios
Deputy Lord Mayor



Cr Jim Adamos



Governance Electoral
Officer - Minutes
Cathryn Clayton

Acting Director Economic
Development and
Activation
Annaliese Battista

Public Gallery

BUSINESS

1. Prayer
2. Declaration of Opening
3. Apologies
4. Question Time for the Public
5. Members on Leave of Absence and Applications for Leave of Absence
6. Confirmation of Minutes:
Ordinary Council - 26 April 2016
7. Announcements by the Lord Mayor
8. Disclosure of Members' Interests
9. Questions by Members of which due notice has been given
10. Correspondence
11. Petitions
12. Matters for which the Meeting may be Closed

In accordance with Section 5.23(2) of the *Local Government Act 1995*, the meeting will be required to be closed to the public prior to discussion of the following:

Item No.	Item Title	Reason
Confidential Item 18 and Confidential Schedule 21	City of Perth Internal Audit Plan 2016/17	s5.23(2)(a)

In accordance with Section 5.23(2) of the *Local Government Act 1995*, should an Elected Member wish to discuss the content of the confidential schedules listed below, it is recommended that Council resolve to close the meeting to the public prior to discussion of the following:

Schedule No.	Item No. and Title	Reason
Confidential Schedule 7	Item No. 5 – Corporate Sponsorship – Film-com Down Under 2016	s5.23(2)(e)(iii)
Confidential Schedule 11	Item No. 8 – Risk Management Update – May 2016	s5.23(2)(e)(ii)
Confidential Schedule 12	Item No. 9 – Internal Audit 2015/16 – Petty Cash Review	s5.23(2)(f)(i)
Confidential Schedule 13	Item No. 10 – Internal Audit 2015/16 – Information Security Review	s5.23(2)(f)(i)

Schedule No.	Item No. and Title	Reason
Confidential Schedule 14	Item No. 11 – Outstanding Internal Audit Recommendations – May 2016	s5.23(2)(a)
Confidential Schedule 15	Item 12 – Tender 076-15/16 – CCTV Migration Stage 2	s5.23(2)(e)(ii)
Confidential Schedule 18	Item 16 – Railway Street and Market Street Shared Path Funding Reallocation (Formerly Roe Street and Railway Street)	s5.23(2)(e)(iii)

13. Reports (refer to Index of Reports on the following pages)

14. Motions of which previous notice has been given

In accordance with Clause 4.12 of the City of Perth Standing Orders Local Law 2009 the following notices of motion have been received for consideration by Council:

The following two notices of motion were received from Cr Harley on 11th May 2016

1. That Council requests the administration of the City of Perth to upload audio recordings of Council Meetings to the City of Perth's website by close of business the following working day.
2. That Council requests the CEO of the City to carry out a review of the terms of reference and membership structure of the City's Audit & Risk Committee. Council notes that all other Capital Cities of Australia have an externally appointed and suitably qualified member as Chair of their Audit Committee.

The following notice of motion was received from Deputy Lord Mayor Limnios on 11th May 2016

1. The City of Perth adopts the following position statement: "The City of Perth is committed to being a leader in the areas of transparency, disclosure and public accountability. In line with this commitment, we will continually be looking *for* relevant new opportunities to adopt best practice;
2. Secondly this council requires the CEO to investigate and provide a report to elected members on examples of best practise accountability measures that have been adopted by other relevant Australian local governments within 90 days of the date of this meeting. This report is to be tabled and discussed at the next available elected members briefing subsequent to the completion of the report.

The following four notices of motion were received from Cr Green on 11th May 2016

1. That the City of Perth be required to establish a public online travel register for travel undertaken by staff and Councillors, updated on a monthly basis, which requires the following information:

Name of relevant Council Member or staff member;

Date and duration of travel;

Cost of the travel;

Travel locations; and Travel Purpose.

This is in addition to the current register, which only requires a register of contributions to travel.

2. That travel being paid for by a third party comes to council for approval.
3. That the City of Perth establishes a public online register of financial, proximity and impartiality interests disclosed by Council Members and Staff at Ordinary and Special Council Meetings commencing from June 30th 2016.
4. That Council requests the Chief Executive Officer to create a dedicated 'Accountability & Governance' portal on the home page of the City's corporate website by June 30th 2016, which provides the following information to ratepayers:
 - a The existing Register of Gifts, Hospitality, Contributions to Travel and City-related Travel;
 - b Mayor and Council Member sitting fees, allowances and meeting attendances per year, per member
 - c Numbers of employees paid salaries of \$100,000 or more, by Directorate, as reported in the Annual Report; and
 - d Any other transparency, disclosure or accountability measures adopted by the City of Perth.

15. Urgent Business

16. Closure

EMERGENCY GUIDE

Council House, 27 St Georges Terrace, Perth



CITY of PERTH

The City of Perth values the health and safety of its employees, tenants, contractors and visitors. The guide is designed for all occupants to be aware of the emergency procedures in place to help make an evacuation of the building safe and easy.

BUILDING ALARMS

Alert Alarm and Evacuation Alarm.

ALERT ALARM

beep beep beep

All Wardens to respond.

Other staff and visitors should remain where they are.

EVACUATION ALARM/PROCEDURES

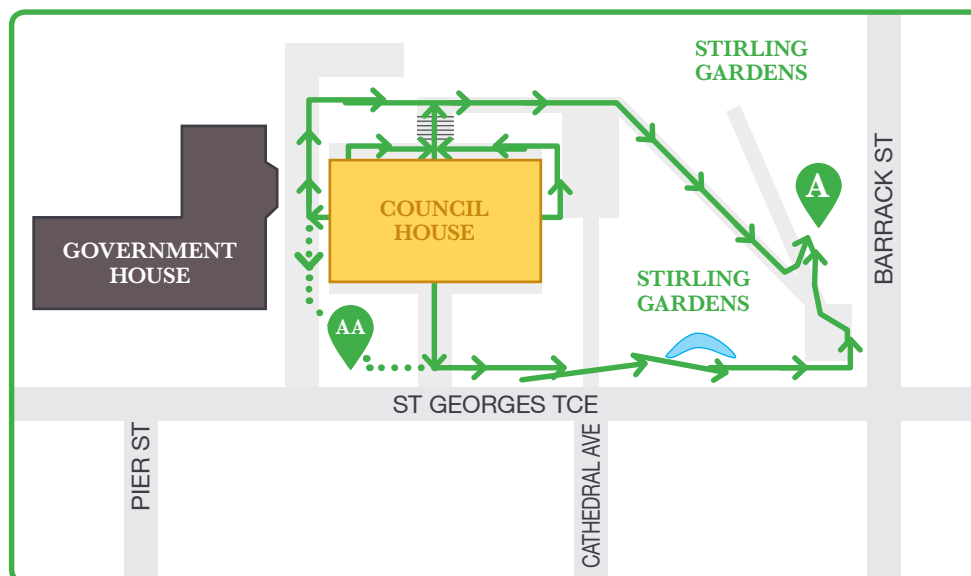
whoop whoop whoop

On hearing the Evacuation Alarm or on being instructed to evacuate:

1. Move to the floor assembly area as directed by your Warden.
2. People with impaired mobility (those who cannot use the stairs unaided) should report to the Floor Warden who will arrange for their safe evacuation.
3. When instructed to evacuate leave by the emergency exits. **Do not use the lifts.**
4. Remain calm. Move quietly and calmly to the assembly area in **Stirling Gardens** as shown on the map below. Visitors must remain in the company of City of Perth staff members at all times.
5. After hours, evacuate by the nearest emergency exit. **Do not use the lifts.**



EVACUATION ASSEMBLY AREA



Assembly Area

Alternate Assembly Area

INFORMATION FOR THE PUBLIC ATTENDING COUNCIL MEETINGS

Welcome to this evening's Council meeting. This information is provided on matters which may affect members of the public. If you have any queries on procedural matters please contact a member of the City's staff in attendance tonight.

Question Time for the Public

- An opportunity is available at Council meetings for members of the public to ask a question about any issue relating to the City. This time is available only for asking questions and not for making statements. Complex questions requiring research should be submitted as early as possible in order to allow the City sufficient time to prepare a response.
- The Presiding Person may nominate a Member or officer to answer the question and may also determine that any complex question requiring research be answered in writing. No debate or discussion is allowed to take place on any question or answer.
- To ask a question please write it on the white Question Sheet provided at the entrance to the Council Chamber and hand it to a staff member before the meeting begins. Alternatively questions can be forwarded to the City of Perth prior to 3.00pm on the day of the meeting, by:-
 - Letter: Addressed to GPO Box C120, Perth, 6839;
 - Email: governance@cityofperth.wa.gov.au.
- Question Sheets are also available on the City's web site: www.perth.wa.gov.au.

Disclaimer

Members of the public should note that in any discussion regarding any planning or other application that any statement or intimation of approval made by any Member or officer of the City during the course of any meeting is not intended to be and is not to be taken as notice of approval from the City. No action should be taken on any item discussed at a Council meeting prior to written advice on the resolution of the Council being received.

Any plans or documents contained in this agenda may be subject to copyright law provisions (*Copyright Act 1968*, as amended) and the express permission of the copyright owner(s) should be sought prior to their reproduction.

INDEX OF REPORTS

Item	Description	Page
PLANNING COMMITTEE REPORTS		
1	55-59 (LOTS 1-3) GODERICH STREET, EAST PERTH – REQUEST FOR APPROVAL AS A DONOR SITE FOR TRANSFER OF PLOT RATIO	1
2	158-160 (LOT 11) MURRAY STREET MALL, PERTH – PROPOSED BUILDING ADDITIONS AND ‘NEW TECHNOLOGY’ ROOF SIGN DISPLAYING THIRD PARTY ADVERTISING CONTENT – REVISED PLANS (RECONSIDERATION UNDER S.31 OF THE STATE ADMINISTRATIVE TRIBUNAL ACT 2004)	6
3	4 (LOT 70) WALKER AVENUE, WEST PERTH – REAR ADDITION TO THE EIGHTH FLOOR LEVEL OF AN APPROVED HOTEL DEVELOPMENT CONTAINING 126 HOTEL ROOMS AND ELEVEN CAR PARKING BAYS – TRANSFER OF PLOT RATIO	20
4	CITY OF PERTH SUBMISSION ON PERTH AND PEEL GREEN GROWTH PLAN FOR 3.5 MILLION	28
MARKETING, SPONSORSHIP AND INTERNATIONAL ENGAGEMENT COMMITTEE REPORTS		
5	CORPORATE SPONSORSHIP – FILM-COM DOWN UNDER 2016	32
6	CORPORATE SPONSORSHIP – FOUNDER INSTITUTE PERTH – 2016 SEMESTER	39
7	CORPORATE SPONSORSHIP – IN THE ZONE EVENT SERIES 2016	47
AUDIT AND RISK COMMITTEE REPORTS		
8	RISK MANAGEMENT UPDATE – MAY 2016	54
9	INTERNAL AUDIT 2015/16 – PETTY CASH REVIEW	60
10	INTERNAL AUDIT 2015/16 – INFORMATION SECURITY REVIEW	62
11	OUTSTANDING INTERNAL AUDIT RECOMMENDATIONS – MAY 2016	64
FINANCE AND ADMINISTRATION COMMITTEE REPORTS		
12	TENDER 076-15/16 – CCTV MIGRATION STAGE 2	66

Item	Description	Page
13	COMMONWEALTH WALKWAY PROJECT, PERTH	70
14	FINANCIAL STATEMENTS AND FINANCIAL ACTIVITY STATEMENT FOR THE PERIOD ENDED 31 MARCH 2016	74
15	DIFFERENTIAL RATING – PRELIMINARY SETTING OF THE ANNUAL RATES LEVY FOR 2016/17	76
16	RAILWAY STREET AND MARKET STREET SHARED PATH FUNDING REALLOCATION (FORMERLY ROE STREET AND RAILWAY STREET)	82
OTHER REPORTS		
17	STUDYPERTH OUTBOUND MISSION TO CHINA, 21-25 JUNE 2016 – LORD MAYOR ATTENDANCE AND PARTICIPATION	85
18	CITY OF PERTH INTERNAL AUDIT PLAN 2016/17	90

PLANNING COMMITTEE REPORTS

ITEM NO: 1

55-59 (LOTS 1-3) GODERICH STREET, EAST PERTH – REQUEST FOR APPROVAL AS A DONOR SITE FOR TRANSFER OF PLOT RATIO

**PLANNING COMMITTEE
RECOMMENDATION:**

(APPROVAL)

That Council:

- 1. in accordance with Clause 34 of the City Planning Scheme No. 2, approves the request for approval as a donor site for the transfer of 1,129m² of transferable plot ratio from 55-59 (Lots 1-3) Goderich Street, East Perth to the City's Register of Transfer of Plot Ratio in accordance with the application for 'Transfer Plot Ratio – Donor Site Approval' dated 22 March 2016 and associated Conservation Management Plan dated March 2016 subject to:***
 - 1.1 a Heritage Agreement for the subject site being prepared, at the landowner's cost, and signed by the landowner(s) and the City with the finalised agreement being submitted to the City prior to the subject site being registered as a donor site in the Register of Transfer of Plot Ratio; and***
 - 1.2 the urgent works as identified within Section 9.1.1 of the Conservation Management Plan being undertaken to the City's satisfaction;***
- 2. advise the landowner/applicant that Council's approval of the place as a donor site shall lapse if all conditions of the approval are not fulfilled before the expiration of 12 months from the approval date.***

BACKGROUND:

SUBURB/LOCATION: 55-59 (Lots 1-3) Goderich Street, East Perth
FILE REFERENCE: TPR-2016/5086
REPORTING UNIT: Development Approvals
RESPONSIBLE DIRECTORATE: Planning and Development
DATE: 28 April 2016
MAP / SCHEDULE: Schedule 1 – Location plan for 55-59 Goderich Street, East Perth

LANDOWNER: N L P Titman, C P Maher, R A M Stapley-Oh and K Garman

APPLICANT: C P Maher

ZONING: (MRS Zone) Central City Area
(City Planning Scheme Precinct) Goderich (P14)
(City Planning Scheme Use Area) Residential – R160

APPROXIMATE COST: N/A

The Committee recommendation to the Council for this report was resolved by the Planning Committee at its meeting held on 10 May 2016.

The Committee recommendation to the Council is the same as that recommended by the Officers.

SITE HISTORY:

The subject site has an area of 526m² and contains three attached strata titled single storey brick and zincalume dwellings. All three dwellings are currently used for residential purposes. The dwellings have been refurbished over time however they retain clear evidence of the original layouts and a considerable amount of original detailing remains insitu.

The three dwellings are listed on the City Planning Scheme No. 2 (CPS2) Places of Cultural Heritage Significance.

DETAILS:

Approval is sought to register 1,129m² of unused plot ratio from the subject site to the City's Register of Transfer Plot Ratio. Under CPS2, the subject site has a plot ratio of 3.0:1 or 1,578m² plot ratio floor area. The existing dwellings on the site have an existing plot ratio 0.61:1 or 324m² plot ratio area.

LEGISLATION / POLICY:

Legislation

Section:

City Planning Scheme No. 2

Clause 34 Transfer of Plot Ratio

- (1) The Council may, on request, approve a place as a donor site for the transfer of transferable plot ratio, if the place –*
- (a) is recorded in the register of places of cultural heritage significance or located within a conservation area;*
 - (b) cannot be development to the maximum plot specified in the plot ratio plan without adversely affecting the cultural heritage significance of:
 - (i) the place or its locality; or*
 - (ii) any conservation area within which the place is located;**
 - (c) is not reserved or located in a reserve shown on the Scheme map and referred to in clause 12(1) (a) or (b); and*
 - (d) is subject to a conservation plan if the place is of cultural heritage significance.*
- (2) The Council may approved or refuse a request made under clause 34(1). Where it grants approval, the Council –*
- (a) shall determine the amount of transferable plot ratio on a donor site taking into account the need to retain an amount of unused plot ratio for future development, or adaptation of the place; and*
 - (b) shall impose conditions which must be satisfied prior to a place being recorded as a donor site in the register of transfer of plot ratio. These conditions shall include
 - (i) the preparation of a heritage agreement, at the landowner's cost to be signed by the landowner and the City and, where the place is listed on the Register of Heritage Places under the Heritage of Western Australia Act 1990, the Heritage Council of Western Australia; and*
 - (ii) if considered necessary by the Council for the conservation of the place, the completion of any urgent works specified in the conservation plan for the place.**
- (3) Approval of a place as a donor site shall lapse if all conditions of the Council's approval are not fulfilled before the expiration of 12 months, or such further period as the Council may determine, from the date of which the Council resolved to grant the approval.*

- (4) *On fulfilment of all the conditions of the Council's approval, the place shall be recorded as a donor site in the register of transfer of plot ratio in accordance with clause 35.'*

Policy

Policy No and Name:

4.5.2 Transfer Plot Ratio Policy

Many places of cultural heritage significance or those located in conservation areas, comprise buildings that do not utilise the maximum floor area which the applicable plot ratio may allow. Some of this unused plot ratio may be able to be used for development or adaptive reuse of the place, guided by a conservation plan. Where this is possible, the amount of plot ratio required to facilitate future development or adaptive reuse shall be retained. A minimum 10% of unused plot ratio shall be retained on the donor site.

COMMENTS:

Transfer of Plot Ratio

The subject site has 1,254m² or 79% of remaining plot ratio floor area available. It is proposed to transfer 1,129m² of the unused plot ratio floor area from the subject site to the City's Register of Transfer of Plot Ratio. A total of 125m² plot ratio floor area, equivalent to 10% of unused plot ratio floor area will remain on the site that can be utilised for future adaptation and/or development of the site. The proposed minimum 10% remaining unused plot ratio is consistent with the CPS2 Transfer of Plot Ratio Policy (4.5.2). Details submitted with the application outline an agreement between the respective owners in relation to the individual or collective use of the remaining available plot ratio floor area for new development purposes.

The Conservation Management Plan submitted in support of the application identifies the available land on the subject site as almost fully developed. The opportunity for new development over time is therefore largely restricted to redevelopment of the rear wings (which have been extensively modified/rebuilt over time and have been assessed as having little/no heritage significance). As such, theoretically the only way to add additional floor space to achieve the maximum plot ratio of the site would be to demolish the existing buildings or add additional floors above the existing structures, which would not be structurally viable. Both of these scenarios would adversely affect the cultural heritage significance of the existing buildings.

In accordance with clause 34(2)b(i) of CPS2, given that there is no existing heritage agreement in place with respect to the subject site, any approval shall be subject to the preparation of a heritage agreement at the landowner's cost to be signed by the landowner(s) and the City.

Section 9.1.1 of the associated Conservation Management Plan identifies 'urgent works' which require attention within 12 months. The urgent works identified are:

'Inspect the chimneys to determine if there is any evidence of structural inadequacy, with particular reference to fretting brickwork. If any structural inadequacy is observed at close inspection, seek professional advice as appropriate and undertake conservation works as a matter of priority.'

It is recommended that the above works be required to be undertaken and satisfied as a condition of any approval and prior to being registered as a donor site.

Given the limited additional development potential for the site, it is considered that the proposed transfer of plot ratio is consistent with the requirements of the City's Transfer of Plot Ratio Policy (4.5.2) and can be supported subject to relevant conditions as outlined above.

Conclusion

The proposed transfer of 1,129m² of plot ratio floor area from 55-59 Goderich Street, East Perth is supported in accordance with clause 34 of CPS2. The subject site can therefore be entered on the City's Register of Transfer of Plot Ratio for use in whole or part in proposed developments on future recipient sites subject to separate applications for approval.

ITEM NO: 2

158-160 (LOT 11) MURRAY STREET MALL, PERTH – PROPOSED BUILDING ADDITIONS AND ‘NEW TECHNOLOGY’ ROOF SIGN DISPLAYING THIRD PARTY ADVERTISING CONTENT – REVISED PLANS (RECONSIDERATION UNDER S.31 OF THE STATE ADMINISTRATIVE TRIBUNAL ACT 2004)

**PLANNING COMMITTEE (APPROVAL)
RECOMMENDATION:**

That, in accordance with section 31(1) of the State Administrative Tribunal Act 2004, the Council sets aside its decision for refusal for a proposed ‘new technology’ above roof sign with third party advertising content at 158-160 (Lot 11) Murray Street Mall, Perth dated 16 October 2015 and substitutes a new decision for approval as follows:

That:

- 1. in accordance with the provisions of the City Planning Scheme No. 2 and the Metropolitan Region Scheme, the Council APPROVES BY AN ABSOLUTE MAJORITY the application for proposed building additions and a ‘new technology’ roof sign to display third party advertising content at 158-160 (Lot 11) Murray Street Mall, Perth as shown on the revised plans received on 20 April 2016 subject to:*
 - 1.1 final details of the design, external materials and finishes for the building additions, including details of how the additions relate to the height and original façade details of the adjacent heritage building at 111-113 (Lots 51 and 101) Barrack Street, being submitted by the applicant and being approved by the City prior to applying for a building permit;*
 - 1.2 the sign being appropriately framed with all wiring and ducting being concealed from view of the street and surrounding properties with final details of these elements being submitted to the City for approval prior to the sign being installed;*

(Cont’d)

- 1.3 a comprehensive advertising strategy for the sign detailing the control of content, illumination levels, management and maintenance of the sign being submitted to the City for approval prior to the sign being installed;**
- 1.4 the advertisements being restricted to static displays that contain only single, 'self-contained' messages that have a dwell duration of not less than 45 seconds, with the duration of transition between the full display of one message and the full display of the next message not exceeding 0.1 seconds. Transitional effects such as fly-in, fade-out and scrolling shall not be permitted;**
- 1.5 the sign content is to exclude symbols, graphics or text that could be mistaken for an instruction to road users and pedestrians or any colours, shapes or lighting that could be mistaken for a traffic sign or traffic control signal, or a format normally used for traffic control or warning, incident or traffic management, or road safety or driver information messages, except where required by a public authority;**
- 1.6 the letter size and legibility of text generally conforming to the guidelines set out in Austroads' Guide to Traffic Management Part 10 – Traffic Control and Communication Devices with advertising content excluding website and social media addresses or text messaging instructions;**
- 1.7 the sign being in accordance with the relevant requirements of the Australian Standards: Control of the Obtrusive Effects of Outdoor Lighting (AZ4282-1997) with details of the proposed maximum luminance levels of the sign being submitted to the City for approval prior to the sign being installed;**
- 1.8 the sign having a default setting that will display an entirely black screen when no content or unauthorised content is being displayed or a malfunction occurs;**

(Cont'd)

- 1.9 the owner exempting the City from any liability resulting from claims due to road user or pedestrian distraction caused by the sign, with the applicant/owner accepting all responsibility for any such claims;**
- 1.10 a construction management plan for the development being submitted and approved by the City prior to applying for the relevant building permit, detailing how it is proposed to manage:**
- a. delivery of materials and equipment to the site, noting access restrictions to Murray Street Mall;**
 - b. storage of materials and equipment;**
 - c. the protection of the adjacent heritage building at 111-113 (Lots 51 and 101) Barrack Street, Perth;**
 - d. the protection of street trees including those within the Murray Street Mall;**
 - e. safe pedestrian movement along the adjacent footpaths in Barrack Street and the Murray Street Mall;**
 - f. other matters likely to impact on the Murray Street Mall and surrounding properties;**
- 1.11 this approval being valid for a period of 10 years with the sign being removed at the expiry of the 10 year period and the building façade made good to the City's satisfaction unless further development approval for the sign is obtained before that time.**
- 2. the applicant be advised that in accordance with the Council's Policy No: 20.8 'Street Trees - Planting, Pruning and Removal', any request for the pruning of trees maintained by the City within the Murray Street Mall or Barrack Street in order to provide or restore views to the advertising sign will only be approved where such pruning will not detrimentally affect the aesthetic quality, landscape value, health or structure of the tree(s).**

BACKGROUND:

SUBURB/LOCATION: 158-160 (Lot 11) Murray Street Mall, Perth
FILE REFERENCE: 2015/5204
REPORTING UNIT: Development Approvals
RESPONSIBLE DIRECTORATE: Planning and Development
DATE: 19 April 2016
MAP / SCHEDULE: Schedule 2 – Map and coloured perspectives
for 158-160 Murray Street Mall, Perth

LANDOWNER: Wilsons Holdings Pty Ltd
APPLICANT: Rowe Group
ZONING: (MRS Zone) Central City Area
(City Planning Scheme Precinct)
Citiplace (P5)
(City Planning Scheme Use Area) City
Centre
APPROXIMATE COST: \$500,000

The Committee recommendation to the Council for this report was resolved by the Planning Committee at its meeting held on 10 May 2016.

The Committee recommendation to the Council is the same as that recommended by the Officers.

SITE HISTORY:

The subject site is located on the north-west corner of Murray Street and Barrack Street, Perth. The site is currently occupied by a two storey building occupied by retail uses and a gymnasium.

The site contains a non-heritage building located within the Barrack Street Heritage Area, which was designated by the Council on **5 August 2009**.

At its meeting held on **13 October 2015**, Council refused an application for a proposed 'new technology' above roof sign with third party advertising content at the subject site, based on the following reasons:

"1. *the proposed sign does not comply with City Planning Scheme No. 2 Policy 4.7 – Signs given that:*

1.1 above roof signs are not permitted anywhere within the city;

1.2 the sign is not designed as an integral part of the building, and will be excessive in scale and inconsistent with the style of the building on which it will be located;

1.3 'new technology' signs are generally not permitted within heritage areas while the sign is proposed to be located within the Barrack Street Conservation Area;

- 1.4 *the sign will detrimentally impact on local amenity and the Barrack Street Conservation Area, given its prominence within the streetscape; and*
- 1.5 *the third party advertising content of the sign would be detrimental to the visual quality and amenity of the Barrack Street Conservation Area.”*

On 11 November 2015 the applicant lodged an Application for Review of the refusal decision with the State Administrative Tribunal.

On 19 January 2016 a Mediation was held between the City and applicant at the State Administrative Tribunal (SAT) where it was agreed that a revised design and heritage impact statement would be submitted to address the reasons for refusal of the original application.

A number of meetings between the applicant and the City's officers followed up to the point where it was considered that the modified proposal has attempted to address the concerns raised in the initial application and could be reconsidered by the Council.

Pursuant to Section 31 (1) of the *State Administrative Tribunal Act 2004*, the City has been invited by the State Administrative Tribunal to assess the revised plans and reconsider its decision on or before the 20 May 2016.

DETAILS:

The applicant has submitted a revised design and additional information in response to the reasons for refusal outlined in the original development application for the purpose of reconsideration of the proposal under section 31 of the *State Administrative Tribunal Act 2004*. This includes modifications to the design of the building including the upper level extension of the glazed façade along Barrack Street and Murray Street Mall to create the appearance of an additional storey as well as screening the roof plant behind.

The digital screen and associated border has also been revised in terms of its design and scale with a height of 3.5 metres (previously 4.2 metres) and length of 12.6 metres (previously 15 metres), predominately facing onto Murray Street Mall with a shorter section to wrap around the south east corner of the site with Barrack Street. The portion wrapping around the south eastern corner will be setback 2 metres from Barrack Street compared to the original proposal which had a nil setback to Barrack Street.

LEGISLATION / POLICY:

Legislation

State Administrative Tribunal Act 2004
Planning and Development Act 2005
Planning and Development (Local Planning Scheme) Regulations 2015 – Deemed Provisions for Local Planning Schemes
Heritage of Western Australia Act 1990
City Planning Scheme No. 2

Policy

Policy No and Name: 4.6 Signs
4.10 Heritage
20.8 Street Trees – Planting, Pruning and Removal

COMPLIANCE WITH PLANNING SCHEME:

Development Requirements

The subject site is located within the City Centre Use Area of the Citiplace Precinct (P5) under the City Planning Scheme No. 2 (CPS2). The Precinct will be enhanced as the retail focus of the State providing a range of retail and related services more extensive than elsewhere in the metropolitan region. Building facades will incorporate interesting architectural elements thereby contributing to a lively, colourful and stimulating environment. The Statement of Intent for the Citiplace Precinct does not specify any development provisions for signage.

The site also falls within the Barrack Street Heritage Area declared under Clause 9 of the Deemed Provisions. While the building on the site is identified as a non-heritage building within the Heritage Area, it is recognised that new works to the building have the capacity to negatively impact on the cultural heritage significance of the Heritage Area if not managed appropriately. The buildings adjacent to and opposite the site are identified as Heritage Places within the Heritage Area under CPS2, with the exception of the former Greater Union Cinemas building at 133-141 Murray Street. The revised proposal should therefore, be considered in relation to the City's Heritage Policy 4.10 and Clause 11 of the City's Sign Policy 4.6 (Signs on Heritage Buildings and Places).

The CPS2 Signs Policy (4.6) sets out the requirements for the erection and management of signs on or adjacent to buildings within the city, providing guidelines for their acceptable design and location.

Under the Signs Policy the revised sign proposal falls within the following definitions:

“Roof Sign” means a sign fixed to the top of the fascia or wall of a building or a machinery or plant room, and designed as an integral part of the design of the building. A roof sign also includes a sign fixed to or painted upon the roof of a building.

Animated or “New Technology” Signs means any sign or its contents that moves, and includes flashing or “chasing” lights, as well as video signs, and signs which are defined in the outdoor advertising industry as “trivisions”, “variable message”, “changing message” and “fibre optic” signs.

Third Party Advertising or General Advertising is a sign:

- *displaying the name, logo, or symbol of a company or other organisation that does not own or substantially occupy the site or building on which the advertisement is located; or*
- *for a product or service not provided on the site on which the advertisement is located; or*
- *for a product or service that does not form part of the signage displaying the name, logo or symbol; of a company or other organisation that owns or substantially occupy the site or building on which the advertisement is located; or*
- *for an activity or event not occurring on the site on which the advertisement is located.”*

The revised proposal’s compliance with the Signs Policy is detailed in the following comments section.

The Council, pursuant to Clause 67 of the Deemed Provisions, is to have regard to any local planning policy for the Scheme area; the effect of the proposal on the cultural heritage significance of the area in which the development is located; the compatibility of the development with its setting including the relationship of the development to development on adjoining land or on other land in the locality; and the amenity of the locality including the character of the locality.

Variations to the Signs Policy can be granted by an absolute majority decision of the Council, in accordance with Clause 47 of CPS2 and provided the Council is satisfied that:

- “47(3)(c)(i) if approval were to be granted, the development would be consistent with:*
- (A) the orderly and proper planning of the locality;*
 - (B) the conservation of the amenities of the locality; and*
 - (C) the statement of intent set out in the relevant precinct plan; and*
- (ii) the non-compliance would not have any undue adverse effect on:*
- (A) the occupiers or users of the development;*
 - (B) the property in, or the inhabitants of, the locality; or*
 - (C) the likely future development of the locality.”*

COMMENTS:

Reconsideration of the Proposed Sign

Section 31(1) of the *State Administrative Tribunal Act 2004* enables SAT to invite the original decision maker to reconsider the decision that is the subject of review proceedings before SAT.

SAT can invite the original decision-maker to reconsider the decision at any time prior to SAT's final decision. The SAT may invite a Section 31 reconsideration where the applicant has provided additional information or clarification since the original decision or where the applicant has amended the application which is the subject of the decision.

SAT expects the original decision-maker to treat SAT's invitation to reconsider a decision seriously and conscientiously. Upon being invited by SAT to reconsider the decision under section 31, the original decision-maker may:

- Affirm the decision.
- Vary the decision.
- Set aside the decision and substitute a new decision.

Public Consultation

The original application was advertised to the adjacent landowners from 4 to 21 September 2015. These included the owners of the properties at 86 to 120 and 95-117 Barrack Street and 166-170 Murray Street Mall, Perth. Two submissions were received objecting to the proposed roof sign.

As the revised design has reduced the scale of the sign and addressed the issues raised as part of the original application, it was not considered necessary to re-advertise to the adjacent landowners.

Development Standards

Heritage

As the property is located in the Barrack Street Heritage Area, any signage and external alterations must take into consideration the requirements of the City's Heritage Policy 4.10 and Clause 11 of the City's Signs Policy 4.6 (Signs on Heritage Buildings and Places).

Under the Signs Policy 4.6, signs located in areas of special significance should generally be discreet and should complement the building or area and be externally illuminated.

Whilst new technology signs do not comply with the requirements of Clause 11 of the Signs Policy, the revised plans have sought to reduce the impact of the roof sign on the Heritage Area. This has been achieved by orienting the sign primarily towards

the Murray Street Mall retail area and by setting the sign back 2 metres from the Barrack Street frontage. The installation of a nib wall also screens any views of the sign from the adjacent heritage building and from the northern end of the Heritage Area. While it was considered desirable to move the sign further towards the western end of this Murray Street Mall façade, away from Barrack Street, it was noted that the existing trees within the Mall would obstruct the view of the sign if it was positioned any further westward. The position of the sign is considered to be a reasonable compromise, however, the applicant should be advised that as the tree canopies continue to grow, in accordance with the Council's Policy No: 20.8 'Street Trees - Planting, Pruning and Removal' any request for the pruning of these trees in order to provide or restore views to the advertising sign will only be approved where such pruning will not detrimentally affect the aesthetic quality, landscape value, health or structure of the trees. It is therefore considered that the revised proposal is an improvement on the previous design in terms of its impact on the Heritage Area and has addressed the Council's previous concerns in regard to this issue.

With respect to the extension of the upper level facade, this should also be considered in relation to the impact on the Heritage Area. Under the City's Heritage Policy 4.10, any new development in a Heritage Area should be of a similar scale, proportions, setbacks and height to the heritage buildings in the locality. The new additions should also be of a contemporary design and not a direct copy of existing significant buildings. The additions should respect the existing heritage buildings and respond to their articulation and detail in areas such as dominant parapet lines, roof line, window confirmation, door openings and awnings.

The revised façade extension is of the same height as the adjacent three storey heritage buildings and is therefore respectful in terms of its scale. The addition is also of a contemporary design and does not seek to mimic the style of the adjacent heritage buildings. There is however limited detail provided in terms of the relationship of the revised façade extension to the façade of the adjacent heritage building (beneath the screen which may be removed in the near future). The additions to the building have been designed as a subtle and seamless extension of the existing façade in order that the proposed sign is integrated into the overall design of the building. As the new development in this instance is only a minor addition to an existing building, to design the upper floor level to respond to the articulation and detail of the adjacent heritage building including, where possible, parapet lines and window configurations could, in this instance, be inappropriate. Further information, including the detailed design of the upper level extension in the context of the adjacent heritage building and an update to the heritage impact statement which responds to this requirement, may be requested as a condition of any approval in this regard. On balance however, it is considered that the façade extension is of a contemporary style which better relates to the existing building and to the adjacent heritage buildings in terms of its scale and can be supported.

As a condition of any approval, a requirement should be imposed to ensure the adjacent heritage building in Barrack Street is protected during the construction phase.

Roof Signs

Clause 9.1 Signs Policy 4.6 prohibits “above roof signs” being approved anywhere within the City of Perth. Following further discussions with the applicant as part of the mediation process, revised plans have been prepared amending the proposal to a ‘roof sign’ which can be considered by the City for approval under Clause 9.8 of the City’s Signs Policy 4.6. An assessment of the proposal against the requirements for ‘roof signs’ is outlined below:

- (a) *A roof sign must not project above the uppermost part of the building to which it is attached.*

The revised application proposes the extension of the glazing line along Barrack Street and the Murray Street Mall and the addition of a new plant room, creating the appearance of an additional storey as well as screening the roof plant behind. The upward extension of the glazing line has allowed the sign to be an integrated element of the building design. The sign has also been reduced in height to ensure it does not project above the height of the proposed building extension.

- (b) *A roof sign may be illuminated, and its contents may move, but it cannot contain flashing lights.*

The applicant has advised that the proposed sign will be illuminated in accordance with Australian Standard AS4284-1997 – Control of the Obtrusive Effects of Outdoor Lighting. The applicant has also confirmed that the sign will not contain flashing lights or moving images.

- (c) *High level illuminated roof signs are encouraged facing the Swan River on buildings with Precinct P13 (Adelaide) and Precinct P6 (St Georges)*

This criterion is not applicable as the subject site is located within the Citiplace Precinct (P5).

- (d) *Roof signs should only be permitted where it can be demonstrated that having regard to the character of the area in which they are to be situated they would not adversely affect its amenities or those of other areas.*

The revised proposal is considered to be an improvement in terms of the sign’s integration into the design of the building and its visual quality when viewed from the street.

The applicant has submitted a Lighting Impact Assessment demonstrating that the digital sign will comply with the relevant legislative requirements and will not adversely impact on the amenity of the surrounding properties. Notwithstanding the above, any approval should include a condition to ensure luminance levels comply with the relevant Australian Standard AS4284-1997 – Control of Obtrusive Effects of Outdoor Lighting.

The applicant has also submitted a heritage impact statement to address the impact of the sign within the Barrack Street Heritage Area. The findings of the heritage

impact statement support the revised design including the extensions to the building facade and the digital screen. The proposed signage and façade extensions are considered to be respectful to the scale to the adjoining heritage buildings, providing a continuum of the traditional three storey height along the west side of Barrack Street. The location of the digital sign and façade upgrade is considered acceptable given its prominent corner location and the contemporary building style.

In addition the revised plans orient the sign towards the Murray Street Mall retail area, away from the Heritage Area, so that it is not a prominent obtrusive element within the Barrack Street streetscape. The revised design is therefore considered to have a more acceptable impact upon the Heritage Area and the character of the locality.

Based on the above it is considered that the revised design has regard to the character of the area and will not adversely affect its amenities or those of other areas.

- (e) *A roof sign must be compatible with the building upon which it is attached in terms of its size and design.*

The revised design which proposes an extension of the glazing line to create a third storey level, a reduction in the overall size of the sign to be flush with the height extended glazing line and a re-orientation of the sign towards Murray Street Mall is considered to meet the City's requirements in terms of compatibility with the scale and design of the building upon which it is attached.

- (f) *Roof signs are not permitted on heritage buildings.*

The subject site contains a contemporary building which does not have any identified heritage significance under the State Register of Heritage Places or the City's Heritage List. The site is however located within the Barrack Street Heritage Area and is adjacent to a heritage building. It is noted that the orientation of the sign has been amended so that it achieves its main viewing angles from Murray Street Mall and the southern approach along Barrack Street. Furthermore the sign is now set back 2 metres from the Barrack Street frontage and partly screened by a nib wall, limiting the detrimental visual impact on the Barrack Street Heritage Area. The applicant's heritage impact statement supports the revised proposal noting the site's prominent corner location and the contemporary style of the building on which the sign will be located which is clearly differentiated from the heritage properties in the general locality along Barrack Street.

'New Technology' Signs

- (a) *The content of an Animated or 'New Technology' Signs must also receive the approval of Council.*

The revised application for a new technology sign is referred back to the Council for a decision.

- (b) *Animated or 'New Technology' signs are only permitted within the 'City Centre' Scheme Use Area of Precinct 5 (Citiplace) or Precinct 1 (Northbridge).*

The subject site is located within the Citiplace Precinct 5.

- (c) *An Animated or 'New Technology' Sign must be compatible with the character of the streetscape within which it is proposed. Such signs will generally not be permitted within a designated heritage area, or on or adjacent to a heritage place.*

All signs, including new technology signs, should be compatible with the style, scale and character of the surrounding streetscape. The application site is not a listed heritage place however, it is included as a non-heritage building within the Barrack Street Heritage Area. The revised proposal seeks to improve the design, quality and scale of the sign to better integrate into the design of the building and the streetscape. The applicant's heritage impact statement supports the revised façade extension and digital screen noting it is respectful in scale to the adjoining heritage buildings along the western side of Barrack Street which are also of three storey height. The reduced scale and position of the sign along with its location on a contemporary building on a corner site at the entrance to Murray Street Mall is considered to be compatible with the streetscape, noting a digital screen is located at the south west entrance of the Murray Street Mall.

- (d) *An Animated or 'New Technology' sign must be designed as an integral part of a building or structure, but will generally not be approved where it takes the form of a pylon sign.*

As discussed, the revised application proposes the upward extension of the glazing line along Barrack Street and Murray Street Mall, creating the appearance of an additional floor level. The upward extension of the glazing line together with a reduction in the height of the sign to be consistent with the second floor level addition has resulted in the sign being integrated into the design of the building and now complies in this regard. Any approval can be conditioned to ensure the sign is appropriately framed with all wiring, ducting being concealed from view of the street and the surrounding properties.

- (e) *The most appropriate locations for Animated or 'New Technology' signs include plazas and public spaces where their contents can be viewed by gathered or passing pedestrians, but should not be able to be viewed by passing motorists, for whom may be a distraction and therefore a safety hazard. An Animated or 'New Technology' sign may be construed and located to create a landmark in its immediate locality.*

The revised design includes the reorientation of the sign towards Murray Street Mall, with a small corner element facing towards the southern approach along Barrack Street. The Traffic Engineering Report submitted with the original application reviewed the quantifiable issues relating to traffic safety. The findings of the report indicated that the sign would only be visible to drivers approaching the sign from Murray Street and at the intersection of Murray and Barrack Street with other locations only having the peripheral vision of motorists. It is noted that the revised design has removed the screen fronting directly onto Barrack Street with only a small element wrapping around the corner of Murray Street Mall and Barrack Street (set back 2 metres from Barrack Street). Based on the above it is considered that the

reorientation of the sign towards Murray Street Mall will reduce the visibility of the sign to motorists and will therefore be an improvement in terms of road safety. The applicant has also confirmed that the sign will not display any moving or flashing images.

Notwithstanding the above, any approval should be conditioned to ensure the sign complies with the requirements of Main Roads Australia to prevent driver distraction and potential hazards to road safety. This includes restrictions to the display of static images only with prescribed dwell times and transition times between advertisements; maximum luminance levels; and restrictions to the type, size and legibility of symbols, graphics and text displayed to avoid any confusion with traffic signs or traffic signals.

- (f) *The contents of an Animated or 'New Technology' sign may move but not flash or pulsate in a manner likely to cause a hazard or nuisance to motorists or the occupants of neighbouring properties.*

The applicant has confirmed that the sign will not contain any moving, flashing or pulsating images or lights. The proposed sign will be visible to motorists approaching from the south along Barrack Street and directly adjacent at the intersection with Murray Street to the east. The applicant's Traffic Engineering Report did not consider that the original design of the sign would result in any negative impact to road safety in the area with the revised design of the sign likely to have less of an impact. Notwithstanding the above, any approval should be conditioned to comply with the requirements of Main Roads Australia to prevent any hazard or nuisance to stationary or passing motorists, as outlined above and in the recommended conditions of approval.

Third Party Advertising

Under the City's Signs Policy 6.6, Clause 9.11, third party or general advertising will only be permitted where, having regard to the character in which the sign is to be situated, the Council is satisfied that the visual quality, amenity and safety of the area will be enhanced, or at the very least, not diminished.

It is considered that the revised proposal has addressed the City's concerns with respect to the quality of the sign and its integration into the design building and the local area. The revised proposal is therefore not considered to diminish the visual quality, amenity or safety of the area and should be supported.

Conclusion

The revised application is considered to satisfactorily address the requirements of the City's Signs Policy 4.6 in relation to roof signs, new technology signs and third party advertising content. The sign is considered to be of an acceptable design and quality and with the alterations to the building façade will appear as an integrated element of the building. The applicant has satisfactorily demonstrated that the proposed sign will not have any undue adverse impacts in terms of traffic safety or luminance levels and can comply with the relevant legislation.

Although large new technology digital screens are generally not supported in Heritage Areas, the revised proposal is considered to an improvement from the previous design in terms of its impact on the Heritage Area. The revised design is respectful in scale to the adjacent heritage properties, the sign has been reoriented to predominately face onto the Murray Street Mall with a nib wall restricting views from the north, and will appear as a contemporary element on a prominent corner location. It is therefore recommended that the Council set aside its previous refusal decision for an “above roof sign” and substitute a new conditional approval decision for the revised “roof sign” in accordance with S.31 (1) of the *State Administrative Tribunal Act 2004* and the revised application be approved subject to conditions.

ITEM NO: 3

4 (LOT 70) WALKER AVENUE, WEST PERTH – REAR ADDITION TO THE EIGHTH FLOOR LEVEL OF AN APPROVED HOTEL DEVELOPMENT CONTAINING 126 HOTEL ROOMS AND ELEVEN CAR PARKING BAYS – TRANSFER OF PLOT RATIO

**PLANNING COMMITTEE
RECOMMENDATION:**

(APPROVAL)

That, in accordance with the provisions of the City Planning Scheme No. 2 and the Metropolitan Region Scheme, the Council APPROVES BY AN ABSOLUTE MAJORITY the application for the proposed rear addition to the eighth floor level of an approved hotel development containing 126 hotel rooms and eleven car parking bays at 4 (Lot 70) Walker Street, West Perth and transfer of 69m² of plot ratio floor space from 76 (Lot 5) Wittenoom Street, East Perth as detailed on the Metropolitan Region Scheme Form One dated 12 January 2016, and as shown on the plans received on 4 March 2016 subject to:

- 1. the proposed development being restricted to a maximum plot ratio of 2.1:1 (1,481m² plot ratio floor area) including 6.5% transferable plot ratio (being 69m² of plot ratio floor area) that is currently recorded ('banked') in the Transfer of Plot Ratio Register of City Planning Scheme No. 2 transferred from 76 (Lot 5) Wittenoom Street, East Perth;*
- 2. the owner submitting evidence and final confirmation to the City that the transaction in respect of transfer of plot ratio has been finalised between the owners of 76 (Lot 5) Wittenoom Street, East Perth and 4 (Lot 70) Walker Avenue, West Perth, prior to applying for the relevant building permit;*
- 3. all mechanical plant, including air conditioner condensers, being integrated into the design of the roof of the hotel development and being screened from view of the street and adjacent developments with details being submitted to the City for approval prior to applying for a building permit; and*

(Cont'd)

4. ***the windows on the northern elevation of the rear addition being appropriately designed and treated to avoid any undue adverse amenity impacts (privacy and overlooking) on the adjacent property at 8 Walker Avenue, West Perth with details being submitted to the City for approval prior to applying for a building permit.***

BACKGROUND:

SUBURB/LOCATION: 4 (Lot 70) Walker Avenue, West Perth
FILE REFERENCE: 2016/5021
REPORTING UNIT: Development Approvals
RESPONSIBLE DIRECTORATE: Planning and Development
DATE: 10 May 2016
MAP / SCHEDULE: Schedule 3 – Map and colour perspective for 4 Walker Avenue, West Perth
Schedule 4 – Transfer of Plot Ratio

LANDOWNER: Recipient Site: 4 Walker Avenue Investments
Donor Site: Kella Nominees Pty Ltd

APPLICANT: Rowe Group
ZONING: (MRS Zone) Urban Zone
(City Planning Scheme Precinct) West Perth Precinct 10 (P10)
(City Planning Scheme Use Area) Office/Residential

APPROXIMATE COST: \$900,000

The Committee recommendation to the Council for this report was resolved by the Planning Committee at its meeting held on 10 May 2016.

The Committee recommendation to the Council is the same as that recommended by the Officers.

SITE HISTORY:

The subject site is located on the eastern side of Walker Avenue with a total site area of 706m².

At its meeting held on 5 February 2015 the City of Perth's Local Development Assessment Panel approved the demolition of the existing single storey house and the construction of a nine level hotel development containing 120 hotel rooms and nine car parking bays.

On 27 May 2016 the City issued a permit to demolish the existing single storey dwelling and on 4 February 2016 the City issued a building permit to construct the nine level hotel development. The single storey dwelling has since been demolished and the hotel building is currently under construction.

The protection and enhancement of the amenity of existing and future residential development in and around the Precinct is important. Ensuring the compatibility of commercial and residential uses is therefore necessary and building design will avoid conflict between the two uses.

The proposal has been assessed against the City Planning Scheme requirements and the proposal's compliance with the following development standards is summarised below:

Development Standard	Proposed	Required / Permitted
Maximum Plot Ratio:	2.1:1 (1,481m²) inclusive of a transfer of 69m² (6.5%) plot ratio floor area	Base Plot Ratio 2.0:1 (1,412m ²) Maximum 20% transfer of plot ratio providing a total plot ratio of 2.4:1 (1,695m ²)
Building Height:	28 metres	29 metres (maximum)
Setbacks:		
Side (South)		
- Eighth floor level	Nil – 0.8 metres	4 metres (minimum)
Side (North)		
- Eighth floor level	3 metres	4 metres (minimum)
Rear (West)		
- Eighth floor level	1 metre	3 metres (minimum)

Variations to the setback provisions applicable to the development can be granted by an absolute majority decision of the Council, in accordance with Clause 47 of CPS2 and provided the Council is satisfied that:

“47(3)(c)(i) if approval were to be granted, the development would be consistent with:

- (A) the orderly and proper planning of the locality;*
- (B) the conservation of the amenities of the locality; and*
- (C) the statement of intent set out in the relevant precinct plan; and*

(iii) the non-compliance would not have any undue adverse effect on:

- (A) the occupiers or users of the development;*
- (B) the property in, or the inhabitants of, the locality; or*
- (C) the likely future development of the locality.”*

In accordance with the provisions of Clause 34 (6) of the CPS2 the Council may only approve the transfer of transferable plot ratio if:

- “a) at the same time, it grants planning approval for development of the recipient site that utilises all or part of a donor site’s transferable plot ratio;*
- b) the development will have no significant adverse impact on the cultural heritage significance (if any) of the recipient site or its locality;*
- c) the development of the recipient site otherwise warrants approval under the Scheme; and*
- d) the resulting increase in plot ratio of the recipient site due to:*
- e) a transfer of transferable plot ratio under clause 34 does not exceed the maximum plot ratio specified for the recipient site by more than 20%; or*
- f) a combination of a transfer of transferable plot ratio under clause 34 and any plot ratio bonus granted under clause 28;”*

COMMENTS:

Consultation

Given the proposed variations to the CPS2 development standards the application was advertised to the owners of the surrounding properties for a period of 21 days, closing on 11 April 2016. These included the owners at 1, 8 and 10 Walker Avenue, 1, 3 and 5 Ventnor Avenue and 44, 46-50 and 52 Kings Park Road. Two submissions were received including an objection from the owner of the heritage listed dwelling directly adjacent at 8 Walker Avenue and the owners at 1, 3 and 5 Ventnor Avenue.

The submissions raised the following:

- the proposed rear addition will further increase the bulk of the building which is already excessive for a relatively small block;
- the reflection of heat from the building to the adjacent property at 8 Walker Avenue;
- the proposed top floor addition which extends further eastward will result in a further reduction in terms of air flow and ambient light and an increased shadow to the rear garden of 8 Walker Street, detrimentally impacting on the heritage plants;
- the design and location of the access ramp on the property boundary line and its impact in terms of a loss of privacy and vehicle fumes being expelled into the outdoor living area and kitchen at 8 Walker Street;
- a request to have a screening device up the vehicle ramp wall to a height of 1.6 metres to restrict viewing to the property at 8 Walker Street; and
- objection to any obstructions of the rear laneway which is the sole access to parking at the rear of 1, 3 and 5 Ventnor Avenue.

These concerns will be discussed in further detail in the proceeding sections of this report. With respect to the obstruction of the rear laneway, it is noted that this is related to the construction management plan for the original development approval and is not a relevant planning issue that needs to be addressed in terms of the proposed eighth floor level rear addition. It is noted that the owner's concerns regarding any obstruction to the laneway as part of the construction phase and other concerns have been forwarded to the applicant.

Design Advisory Committee

At its meeting held on 31 March 2016, the Design Advisory Committee (DAC), considered the design of the proposed rear addition to the eighth floor level of the approved hotel development and advised that it:

- "1. supports the additions subject to all plant, including air conditioner condensers, being integrated into the design of the roof and being screened from view; and*
- 2. considers that the setback variations to the eighth floor additions will have no significant impact on the adjoining heritage property or on the amenity of the locality."*

It is considered that point one of the DAC's recommendation, in relation to the screening of all plant including air conditioner condensers, can be adequately addressed by a condition of approval.

Transfer of Plot Ratio

The Council may approve a transfer of plot ratio floor space of up to 20% from a registered donor site provided it complies with Clause 34 of CPS2 and the City's Transfer Plot Ratio Policy 4.5.2. When considering the merits of an application for the transfer of plot ratio, consideration must be given to the impact of any transfer of plot ratio on other development standards that apply to the site under CPS2.

In this instance the applicant is seeking to transfer 69m² of plot ratio floor area from an approved donor site at 76 Wittenoom Street, East Perth which will equate to a total of 6.5% additional plot ratio for the development. The transfer is considered a minor addition of plot ratio floor area with no undue adverse amenity impacts affecting the locality or the cultural heritage significance of the adjacent property at 8 Walker Street. This was confirmed by the City's Design Advisory Committee where it was considered that the setback variations to the eighth floor level will not result in any significant impact on the adjoining heritage property or the amenity of the locality. The proposed transfer of plot ratio floor area is therefore considered to warrant approval in accordance with Clause 34 of CPS2 and the Transfer Plot Ratio Policy.

Building Height and Setbacks

The proposed rear addition will fall within the maximum height limit at the site of 29 metres. The rear addition will however result in further encroachments into the side and rear setback requirements at the eighth floor level. Under the City's Building Heights and Setback Policy 4.4 a minimum setback of 4 metres is required to the

northern and southern side boundaries and a 3 metre setback to the rear (eastern) boundary.

The rear addition will have a setback of 3 metres to the north (adjacent to 8 Walker Avenue), nil to 1.26 metres to the south (adjacent to a laneway) and 1 metre to the rear (adjacent to the rear laneway). The same setback variations were approved by the City of Perth Local Development Assessment Panel for the second to seventh floor levels and part eighth floor level of the original development on the basis that the existing right-of-ways to the south and east will provide visual relief in terms of building separation and adequate access to natural light. Privacy and the prevention of overlooking to the neighbouring property to the north would also be achievable with a 3 metre setback with screening to the windows up to a height of 1.5 metres along the northern elevation as applied to the lower levels of the development. The screening to the windows of the eighth floor level addition should be required as a condition of any approval.

With respect to the neighbours concern regarding overshadowing to the property at 8 Walker Street, it is noted that there will be no overshadowing impact to this property as it is located to the north of the application site. The overshadowing plans also show an almost identical overshadowing pattern to the south, when comparing the substantive development approval with the new rear addition. With respect to the other concerns raised it is considered that the additional half a floor level will have a negligible additional impact in terms of the overall building bulk, air flow and access to ambient light for the property to the north.

Based on the above it is considered that the proposed rear addition will achieve the principles of the Building Heights and Setbacks Policy 4.4 in terms of maintaining open views to the sky and a reasonable level of natural light access, ventilation and privacy and therefore can be supported in accordance with clause 47 of CPS2. The setback variations were also supported by the City's Design Advisory Committee and considered to have no significant impacts to the adjoining property to the north or to local amenity.

Vehicle Access Ramp

With respect to the concerns raised by the owner of the adjacent property regarding the vehicle access ramp design and screening, this was approved by the City of Perth Local Development Assessment Panel as part of the original application and is therefore not relevant to the current application. However the applicant has confirmed that a 1.35 metre wall will be provided to the vehicle access ramp that has been cleared as a condition of the original development approval. The height of the wall to the vehicle access ramp is considered to satisfactorily address the neighbouring property owners concerns in terms of preventing overlooking and views to the cars utilising the access ramp. A sight line plan demonstrating that there will be no adverse impact in terms of overlooking to the neighbouring property at Number 8 Walker Street, is included as an attachment to this report. The applicant also advises that the client is prepared to install a brush timber fence in front of the car park ramp wall to match the height and type of the existing fence at the property.

Conclusion

The proposed rear addition to the eighth floor level of a nine level hotel development is considered to meet the objectives and principles in terms of opening up views to the sky, natural light access, ventilation and privacy of the City's Building Heights and Setback Policy 4.4 and should be supported in accordance with clause 47 of CPS2. The proposed transfer of plot ratio from the heritage property at 76 Wittenoom Street, East Perth is considered to be minor in nature and will not result in any detrimental impacts to local amenity or the adjacent heritage property and should therefore be supported in accordance with clause 34 of CPS2 and the Transfer of Plot Ratio Policy. With respect the screening and integration of the mechanical plant on the roof deck and the prevention of overlooking to the adjoining property at Number 8 Walker Avenue, these matters can be satisfactorily addressed as conditions of any approval.

ITEM NO: 4

CITY OF PERTH SUBMISSION ON PERTH AND PEEL GREEN GROWTH PLAN FOR 3.5 MILLION

**PLANNING COMMITTEE
RECOMMENDATION:**

(APPROVAL)

That Council approves the draft submission be sent to the Department of the Premier and Cabinet in response to the Strategic Assessment of the Perth and Peel Region (SAPPR) and Perth and Peel Green Growth Plan for 3.5 Million, as detailed in Schedule 5.

BACKGROUND:

FILE REFERENCE: 54948/16
REPORTING UNIT: Environment and Public Health
RESPONSIBLE DIRECTORATE: Planning and Development
DATE: 26 April 2016
MAP / SCHEDULE: Schedule 5 – City Of Perth Submission On The Draft 'Perth And Peel Green Growth Plan For 3.5 Million'

The Committee recommendation to the Council for this report was resolved by the Planning Committee at its meeting held on 10 May 2016.

The Committee recommendation to the Council is the same as that recommended by the Officers.

LEGISLATION / STRATEGIC PLAN / POLICY:

Legislation Section 1.3 of the *Local Government Act 1995*

Integrated Planning and Reporting Framework Implications **Strategic Community Plan**
Council Four Year Priorities: Healthy and Active in Perth
S16 – Increase accessibility to green networks in the city

Policy
Policy No and Name: 8.0 – Environment Policy

DETAILS:

The Department of the Premier and Cabinet is seeking public comment on the suite of documents, which can be located via the following link:

<https://www.dpc.wa.gov.au/Consultation/StrategicAssessment/Pages/Draft-Green-Growth-Plan-documents.aspx>

These documents are collectively known as the draft *Perth and Peel Green Growth Plan for 3.5 million* (Green Growth Plan). The Green Growth Plan centres on findings from the draft *Strategic Assessment of Perth Peel Region* (SAPPR).

The draft Green Growth Plan delivers two critical outcomes. First is to secure upfront Commonwealth environmental approvals and streamlining State environmental approvals for development (based on the findings of SAPPR). Second is to secure unprecedented protection of habitats, rivers, wildlife and wetlands through a comprehensive plan to protect regional environmental values.

The draft Green Growth Plan is complementary to the draft sub-regional planning frameworks outlined in the *Perth and Peel @3.5million*. On this occasion, there are no implications for the City's strategic planning and approval processes.

Due to the lack of greenfield development in the city, the implications of the draft Green Growth Plan are minimal. The draft Green Growth Plan contains a suite of documents including nine action plans, a State Impact Assessment Report and a Commonwealth Impact Assessment Report. The draft submission outlines four concerns with regard to three of these documents (Schedule 5). The draft submission highlights gaps in funding and delivery for actions which relate to the management of the Swan River, constructed wetlands, transport infrastructure and sites of matters of national environmental significance (MNES)

FINANCIAL IMPLICATIONS:

There are no financial implications in this decision.

COMMENTS:

The concerns outlined in the submission are a result of collective discussion within the organisation. The submission highlights the potential impacts the draft Green Growth Plan may have on the Swan River, constructed wetlands within the city, transport infrastructure within the central city, and matters of national environmental significance.

Swan River

The draft Green Growth Plan under *Draft Action Plan H – Conservation Program* introduces a package to improve the water quality of the Swan-Canning Estuary. The package aims to reduce nutrient inflows into the system by improving agricultural practices in the upper catchments. Addressing water quality through the reduction of

nutrient inflows will directly benefit the City by improving the water quality in the lower catchment.

The primary concern is the package lacks funding and delivery mechanisms are undetermined. There is no expectation for the City to be involved in delivering this package as it is intended to improve agricultural practice. Nonetheless, the lack of clarity in implementation could result in a loss of potential benefits for the city.

Wetlands

The draft Green Growth Plan under *Draft Action Plan H – Conservation Program* mentions a new wetland buffer policy to be implemented through the land use planning process. The details surrounding the development and implementation of a new wetland buffer policy is vague. The generalisation of wetland types provides insufficient detail resulting in uncertain implications for constructed wetlands (prominent in the city). The submission recommends the plan outline the potential implications of a new wetland buffer policy in regards to constructed wetlands

Transport

There is a lack of connection between the proposed transport infrastructure outlined in *Draft Action Plan C – Infrastructure* of the draft Green Growth Plan and the Perth and Peel@3.5million. The submission recommends a review of the proposed transport infrastructure package to ensure its alignment with spatial distribution outlined in the Perth and Peel @ 3.5million document. Additionally, the submission notes insufficient detail of the proposed transport infrastructure and the potential impact on people's transport behaviour and mode choices.

Matters of National Environmental Significance

Draft Action Plan F - Matters of National Environmental Significance (MNES) of the draft Green Growth Plan does not outline the implications for local governments if managed sites qualify as a MNES in the future.

On 29 April 2016, the Department of Parks and Wildlife confirmed the presence of temperate coastal saltmarsh occurring on the southern half of Heirisson Island. Temperate coastal saltmarsh is a threatened ecological community (TEC) and a MNES. The Department will register the site as a TEC and a MNES for their records and provide official registration in due course. Officers from the Department and the City will liaise throughout the process of registration. A timeframe for this process is unconfirmed and the Department will have no official position on the status of the TEC prior registration.

As the site qualifies as a MNES, the State may issue a management order to the City regarding the long-term management of the ecological community. Funding for local governments on the provision of a management order is undetermined in the draft Green Growth Plan. The submission recommends the draft Plan identify all funding arrangements available for local conservation.

There are implications following the registration of the temperate coastal saltmarsh and the future development of the island. Design and planning decisions will need to take into account the protection of the ecological community, with due regard to the *Conservation Advice* [TRIM 70043/16] prepared under the *Environment Protection and Biodiversity Conservation Act 1999 (EPBC Act) (s266B)*.

MARKETING, SPONSORSHIP AND INTERNATIONAL ENGAGEMENT COMMITTEE REPORTS

ITEM NO: 5

CORPORATE SPONSORSHIP – FILM-COM DOWN UNDER 2016

**MARKETING, SPONSORSHIP (APPROVAL)
AND INTERNATIONAL
ENGAGEMENT COMMITTEE
RECOMMENDATION:**

That Council, subject to the adoption of the 2016/17 budget:

- 1. approves cash Corporate Sponsorship of \$15,000 (excluding GST) , and in-kind sponsorship of \$6,867 (excl. GST) to cover the cost of the hire of Forrest Place, Murray Street Mall, and the Northbridge Piazza, to Film-Com Down Under to present Film-Com Down Under 2016 from Monday, 12 September 2016 to Thursday, 15 September 2016;**
- 2. notes that the event organisers will provide the following sponsorship benefits to the City:**
 - 2.1 naming rights for the event to the City of Perth as “The City of Perth Film-Com Down Under 2016;**
 - 2.2 the City of Perth crest to appear on all promotional material to be distributed globally through Film-Com Down Under channels, across Australia, and the United States;**
 - 2.3 City of Perth printed marketing material to be included in delegate packs and distributed at Film-Com Down Under events;**
 - 2.4 an opportunity for the Lord Mayor, or City representative, to give remarks at the opening and closing events;**

(Cont'd)

- 3. notes that a detailed acquittal report, including all media coverage obtained and key performance indicators achieved, will be provided to the City by December 2016.**

BACKGROUND:

FILE REFERENCE: P1010627-31
REPORTING UNIT: Economic Development Unit
RESPONSIBLE DIRECTORATE: Economic Development and Activation
DATE: 21 April 2016
MAP / SCHEDULE: Schedule 6 – Letter of support from The Hon Julie Bishop MP, Minister for Foreign Affairs
Confidential Schedule 7 – Table of other sponsors
(distributed to Elected Members under separate cover)

The Committee recommendation to the Council for this report was resolved by the Marketing, Sponsorship and International Engagement Committee at its meeting held on 3 May 2016.

The Committee recommendation to the Council is the same as that recommended by the Officers.

The City of Perth has received a request for Corporate Sponsorship of \$20,000 (excluding GST) from Film-Com Down Under to support Film Com-Down Under 2016.

Film-Com is an annual event that has been held in Nashville, Tennessee for the last six years and has grown bigger every year, receiving extensive international media coverage. Film-Com Down Under 2016 is the first time the event will be held outside of the United States. The organisers plan to hold Film-Com Down Under annually in Perth.

Film-Com was created in 2010 to provide a platform for independent local and international film makers to pitch projects and learn from masters in the industry. The Film-Com Financing, Packaging and Distribution Market brings filmmakers together with Hollywood executives in a unique event for both sides of the industry, giving filmmakers an opportunity to share ideas and connect with experts in the field. It also connects filmmakers and their new projects to domestic and foreign banks, gap financing, co-production partners, packaging agents, production integration specialists, and other important entities related to successfully getting a film made and to market. Since its inception, Film-Com has not only given attendees the opportunity to access and create friendships with Hollywood Executives that they would not normally have access to, it has:

- Raised completion funds for more than 40 independent film projects;
- Facilitated collaboration on more than 30 film projects, connecting independent film makers with major Hollywood names; and

- Assisted with the distribution of more than 80 independent film projects.

The week-long event will provide an opportunity to showcase Perth to international film executives in the hope of enticing them to potentially shoot future projects here. Most international film activity in Australia takes place in the eastern states, so this presents a unique opportunity for Perth to be a part of something with the potential to not only inject large amounts of money into the city but to bring much needed diversity to the WA economy in the form of creative industry development.

Film-Com Down Under has already received offers of sponsorship from two other high profile local government authorities, both of which are eager to host the event in their jurisdiction. For reasons of accessibility and marketability, Film-Com is interested in holding the event in the Perth CBD; therefore they have not currently accepted either offer.

Summary of Event:

Film-Com Down Under will run from 12-15 September 2016, and organisers expect over one thousand people to participate. The four day program includes a range of public and private events that will be held around the Perth CBD. The organisers' primary objective is to highlight Perth and all it has to offer in order to encourage guests from Hollywood and other countries to make films in Western Australia. Ten Hollywood Executives have confirmed their attendance. They will stay in the Perth CBD for four nights and in other WA hotels for three nights or more. Other conference attendees and inter-state visitors will be encouraged to stay in the Perth CBD.

Public Events

Free public events will run throughout the duration of Film-Com. Executive Director Melanie Philips is eager to showcase Perth as much as possible and would like to use Forrest Place, Murray St Mall, the Northbridge Piazza, and the Perth Concert Hall Tunnel for these events, which include:

- A 48 Hour Film Project Competition which will be open to the general public and include a youth (under 18) category;
- The 'All things Film' expo, which would provide an opportunity for film-makers, actors, animators, make-up artists, wardrobe specialists, musicians, and anyone related to the film industry to exhibit their work;
- 'Meet the Real Superheroes' forum where members of the public have the opportunity to ask Hollywood executives questions;
- A 24-Hour Movie Marathon, scheduled to run continuously throughout the event and feature independent films submitted by Film-Com Down Under attendees;
- An 'Interactive Music and Film' session which will analyse iconic musical moments in famous films;

- Screening of the 48 Hour Film competition entries; and
- An award ceremony for independent films screened throughout the 24-Hour Marathon events as well as the winners of the 48-Hour Film Making Competition.

Private Events

The opening event will take place the evening of Monday, 12 September 2016, where senior executives will be introduced and the Lord Mayor and other Government Ministers will be invited to give remarks. This will be followed by a welcome party. The Hon Julie Bishop MP, Minister for Foreign Affairs, has provided a letter of support (attached). Starting on Tuesday, 13 September 2016, each day of the program will include a number of private events including:

- Breakfast with the Executives;
- Panel discussion workshops for film-makers focused on how to pitch a project, how to get a screenplay read by the right people, and casting; and
- Pitching sessions where film-makers will pitch their ideas and projects to the executives.

A gala dinner will be held the evening of Thursday, 15 September 2016 to conclude Film-Com Down Under. Organisers will then take the Hollywood Executives on an extensive sight-seeing tour around Perth CBD and greater Western Australia so that they may gain an appreciation of some of WA's hidden treasures and hopefully be inspired to shoot future movie or media projects here.

Funding:

The total cost of the event is \$131,700. Organisers have requested cash sponsorship of \$20,000 (15% of the total cost of the event). Cash sponsorship of \$15,000 (11% of the total cost of the event) is recommended, because the in-kind component of the sponsorship to hire Forrest Place, Murray Street Mall and the Northbridge Piazza is equivalent to \$6,867 (excl. GST).

Other sponsors of Film-Com Down Under 2016 are detailed in the attached Confidential Schedule 7.

LEGISLATION / STRATEGIC PLAN / POLICY:

Integrated Planning and Reporting Framework Implications

Corporate Business Plan

Council Four Year Priorities: Perth as a Capital City

S6 Maintain a strong profile and reputation for Perth that is attractive for investment

S6.5 Implement the International Engagement Strategy

Policy

Policy No and Name: Policy 18.8 – Provision of Sponsorship and Donations

DETAILS:

Eligibility for Sponsorship:

Criterion	Satisfied
Support for promotional material (such as publications and films) which positively position the City of Perth	Yes
Support for the activities of organisations or individual which provide positive positioning for the City of Perth	Yes

Markets / audiences who will be exposed to sponsorship information:

The City of Perth's sponsorship of Film-Com Down Under will be exposed to a broad audience, including:

- State and Federal Government officials;
- Australian business, community, thought and policy leaders;
- Australian, United States, and other international film makers, new media practitioners and financiers; and
- Film-Com's extensive database of contacts around the world.

Promotion of City of Perth to Markets / audiences:

Film-Com will promote the City's support for this event as per the sponsorship benefits outlined in the recommendation section of this report. The benefits and exposure from this promotion will be global.

The City will be promoted to markets/audiences through the following channels:

- Film-Com newsletters, promotional material and media releases across the world;
- Australian print, broadcast, radio, online and social media; and
- United States, broadcast, radio, online and social media.

Assessment of Application (Corporate):

1. The opportunity the sponsorship provides to enhance the image of the City of Perth.

Sponsorship of Film-Com Down Under presents an opportunity for the City to promote its position as a leader in international collaboration, an international tourism destination, and a desirable location for international investment. The initiative will help to enhance the profile of the City as a hub for Creative Industries on an international scale.

The sponsorship also meets the principles and goals of the City's International Engagement Strategy – Looking West:

- Focusing on the international promotion of Perth;
- Positioning Perth as a great place to work, live, study, visit and do business;

- Developing closer relationships with other international cities;
- Adding to the exchange of cultural awareness, knowledge, skills and experiences; and
- Facilitating community and private sector involvement in international relationships by enhancing worldwide connections through cultural, educational, sporting and community relationships.

2. The value of the increased good will from markets / audiences exposed to the sponsorship by the City of Perth.

The City of Perth will continue to build its reputation globally as a strong supporter of international engagement and a leader in cultural and business collaboration.

3. Contributes towards the achievement of one or more of the City's marketing objectives.

The project meets the following objectives:

To position the city as a city of regional and international significance:

- The City will be recognised as a key city in the Asia Pacific region that contributes to international collaboration and business development.
- The Australian and United States markets as well as global film-making markets will be exposed to promotional material and media coverage of this event.
- The event will attract key executives from the United States and the global film-making industry and expose them to the many opportunities available in Western Australia.
- Over the five financial years to 30 June 2013 the value of film and television production in WA was \$206.74 million (detailed in the Focus on the Future – Western Australian Screen Industry Infrastructure Needs Assessment report undertaken by the State Government in 2014). This figure is increasing with a record number of productions being experienced in 2012/13 at 33 which delivered a peak production expenditure of \$28.9 million.
- However, this is only half of what is produced in NSW, which experienced expenditure of \$460.6 million over the same period. Thus there is considerable potential for enhanced economic activity from film production in WA.
- This investment will also bring intangible benefits in the form of Western Australia's stories being told and Western Australia being promoted as a tourism destination.

To increase visitation to the city:

- Film-Com Down Under 2016 will promote Perth as a city that offers stability and a desirable lifestyle, and which has a proven record of success in facilitating business collaboration throughout the region.

- The range of events and activities proposed over the week will draw crowds into the CBD to experience the activities and participate in the program.

To increase economic investment in the city:

- This event will showcase Perth's work in international affairs and the cultural, artistic, educational, and economic benefits it brings to our city;
- It will also promote Perth as an attractive investment destination and inject money directly into the WA economy. A similar event, Cinefest Oz, has been held in WA since 2008 and has grown larger every year. Since its inception, ticket sales have grown to well over 15,000 with independent economic research showing the 2012 festival added more than \$1.7 million directly into the community. The 2014 Cinefest Oz film festival enjoyed record attendance of 18,000 with 52.5 % of visitors coming from outside the region.

4. Benefits to be provided to the City.

The benefits provided to the City are detailed in the recommendation section of this report.

FINANCIAL IMPLICATIONS:

The Economic Development Unit (EDU) has allocated funds in the 2016/17 International Engagement budget amounting to \$20,000 (excl. GST) for this sponsorship, subject to Council approval.

COMMENTS:

It is recommended that the Council approves sponsorship of \$15,000 (excl. GST) as well as waiving hire fees of Forrest Place, Murray Street Mall, and the Northbridge Piazza for the City of Perth to be recognised as a key sponsor of Film-Com Down Under 2016.

Film-Com Down Under 2016 presents an opportunity for Perth to host an international event that will facilitate future economic development benefit to the City of Perth, its rate payers and its businesses through future Film-Com Down Under events as well as potential film projects based in Western Australia. This sponsorship request has full support from the Marketing and Communications Unit (MKT), which sees a significant opportunity for MKT and EDU to work together to leverage the initiative.

ITEM NO: 6

CORPORATE SPONSORSHIP – FOUNDER INSTITUTE PERTH – 2016 SEMESTER

**MARKETING, SPONSORSHIP (APPROVAL)
AND INTERNATIONAL
ENGAGEMENT COMMITTEE
RECOMMENDATION:**

That Council:

- 1. approves cash Corporate Sponsorship of \$15,000 (excluding GST) to the Founder Institute to present the Founder Institute Perth 2016 Semester from Monday, 18 July 2016 until Tuesday, 15 November 2016;***
- 2. notes that the event organisers will provide the following sponsorship benefits to the City:***
 - 2.1 opportunity for the Lord Mayor or City representative to present a short keynote opening address to attendees at marketing intake events, within semester events, graduation and demo day;***
 - 2.2 City of Perth support communicated to attendees at all marketing intake events, within semester events, graduation and demo day;***
 - 2.3 City of Perth logo featured on all branding, marketing and communication materials;***
 - 2.4 City of Perth banner placement at all Founder Institute events in 2016;***
 - 2.5 support for the City of Perth to use the Founder Institute FI logo in any presentation relating to its innovation portfolio; and***
 - 2.6 collaboration with the City of Perth in the construction of any innovation and startup case studies as required;***

(Cont'd)

3. notes that a detailed acquittal report, including all media coverage obtained, will be provided to the City by March 2017.

BACKGROUND:

FILE REFERENCE: P1010627-31
REPORTING UNIT: Economic Development
RESPONSIBLE DIRECTORATE: Economic Development & Activation
DATE: 19 April 2014
MAP / SCHEDULE: Schedule 8 – 2016 Proposal & 2015 Program Overview

The Committee recommendation to the Council for this report was resolved by the Marketing, Sponsorship and International Engagement Committee at its meeting held on 3 May 2016.

The Committee recommendation to the Council is the same as that recommended by the Officers.

About Founder Institute:

The Founder Institute's (FI) main focus is in recognising individuals' abilities that have the potential to make significant contributions to innovation on the global scale. Its next goal is to facilitate the creation of one million new jobs in technology by launching 50,000 technology businesses with 20 percent being worth over \$50 million. FI is based on the following three beliefs: empowerment of people, the scientific study of success and the sharing of upside.

In terms of empowerment, FI operates anywhere entrepreneurs can make a difference, from the startup hubs, like Berlin, to developing markets, like Perth, Australia. It actively advocates on behalf of people who have not traditionally been technology company founders. For example, FI has helped launch the largest number of technology companies' led by women with 36% of graduates having a female founder.

In terms of scientific method, FI asks every one of its 30,000 annual applicants to take an extensive series of social science tests, and then the company correlates the test results against the performance of the companies created. As a result of this and other initiatives within the company, FI can predict the success of an individual, a company, and potentially an entire market. FI endorses the social sciences and their ability to predict business outcomes.

Lastly, through the sharing of upside, FI provides 85 percent of the value generated by its equity position in a graduate to the community of where the graduate is originally from. The program directors, mentors and graduates receive upside in companies created by the FI. This creates a virtuous cycle, where the success of one graduate provides capital to the community that can be reinvested into the future.

FI's headquarters (HQ) are located in Palo Alto, California, the global epicenter of startup communities and technology innovation, and consists of 20 employees and 18 additional employees in marketing, operations and business development roles. Its Chief Executive Officer is Adeo Ressi, Co-Founder, Johnathon Greechan and its Perth directors include Andrew Hall (Stone Ridge Ventures), Kirsten Rose (BHP) and Nathan Sturcke (RAC).

FI draws on over 30 local mentors to run the Perth program. Mentors are successful entrepreneurs, such as CEO's and technology leaders, many of whom have built thriving businesses in Perth and volunteer their time to FI to grow more successful startups in our local ecosystem. FI has approximately 300 directors and 7,000 mentors globally.

The combination of mentorship, structure and peer support all lead to positive outcomes for the global network. 85 percent of all 2,000 prior graduates are operating, 70 percent are doing well and 50 percent are commercially funded. FI operates in over 125 globally connected cities, and create in excess of 1,500 new companies per year.

Summary of Program:

A request for \$15,000 Corporate Sponsorship (excluding GST) has been received by the City from FI to support the Founder Institute 2016 Semester (which includes free marketing events and a proposed demo day prior to the Semester commencing) to be held between Monday, 18 July 2016 until Tuesday, 15 November 2016 at Spacecubed, 45 St Georges Terrace, Perth (and possibly the Perth Library contingent upon availability).

FI will host a demo day (proposed) and a number of free marketing intake events about various entrepreneurship topics before the semester begins to build demand (forecast up to 600 attendees across six events). These events are attended by anyone launching a new technology-enable business in the local market.

To establish the annual cohort, masterclasses are run during the marketing intake events on key startup company topics (founding a business, growing a business, investment) delivered by the directors and local community business leaders.

FI then takes employees and turns them into successful entrepreneurs. It does this through a 14-week long program, where three top CEOs come in once per week at night and present to founders in the program about their experiences building a business. The founders are given company-building work each week to create their businesses, and they are divided into groups of their peers, where the founders share their best practices.

Previous Sponsorship:

The below table detail previous sponsorship pervious provided by the City of Perth:

Year	Program	Amount	Attendance
2015	Semester	\$15,000	250 (Marketing Events) 75 Applicants 49 Enrolments 10 Graduating Companies
2014	Semester	\$12,000	150 (Marketing Events) 50 Applicants 25 Enrolments 8 Graduating Companies
2013	Semester	\$12,000	125 (Marketing Events) 30 Applicants 18 Enrolments 5 Graduating Companies

FI has approached and secured the following sponsorship from other organisations:

- SpaceCubed – \$15,000 (in-kind for venues);
- RAC – \$15,000; and
- IP Sentinels – \$4,000.

FI is currently still seeking additional funding possibilities but has indicated that City of Perth funding plays a pivotal role in the infancy stage of the Perth start up ecosystem.

LEGISLATION / STRATEGIC PLAN / POLICY:

Integrated Planning and Reporting Framework Implications

Strategic Community Plan

Council Four Year Priorities: Community Outcome

Perth as a capital city

The City is recognised internationally as a city on the move and for its liability, talented people, and centres of excellence and business opportunities.

Policy

Policy No and Name: Policy 18.8 – Provision of Sponsorship & Donations

DETAILS:

Eligibility for Sponsorship:

Criterion	Satisfied
Support for activities which award endeavour in community service	Yes
Support for the activities of organisations or individual which provide positive positioning for the City of Perth	Yes

Markets / audiences who will be exposed to sponsorship information:

FI semesters typically attract a younger demographic (between 25 and 35) as well as an emerging demographic involved in the tech start-up scene.

FI hosts free events about various entrepreneurship topics before the semester begins to build demand (forecast up to 600 attendees across six events). These events are attended by people who are interested about launching a new technology-enabled business in the local market.

The proposed Demo Day is expected to attract several seed investors in the local and interstate community, as well as entrepreneurs, creative industries professionals, business development and management professionals, students, existing city business owners, and potential city business owners.

This is of particular relevance to the City of Perth as successful new entrepreneurs can be accommodated within the city at this point of time at attractive rental terms, assisting in the reduction of current vacancy rates and providing the city with growth in knowledge based work force.

Recent work undertaken by the City has contributed to Perth being the start-up centre of gravity for the WA ecosystem and as such this audience provides a direct link to City objectives of an 18 hour economy and growth in key Industry sectors.

Promotion of City of Perth to Markets / audiences:

The City of Perth will be promoted to key target markets as a major supporter of creative industries at and on every page of the FI Perth website and on all physical branding, marketing and communication materials. FI events will also be promoted across mainstream media such as The West Australian, Channel Seven News, Business News and throughout the networks of the technology startup world.

Assessment of Application (Corporate):

1. The opportunity the sponsorship provides to enhance the image of the City of Perth.

The City of Perth will be seen as supporting a program that promotes the idea of young entrepreneurs going out there and forming their own businesses. This supports the diversification in Perth economy particularly in light of the transition away from a resource intensive focus.

FI has helped to launch approximately 2,000 companies worldwide, and intend to double that number over the next 12 months.

Supporting the 2016 FI program aligns the City of Perth with an organisation that promotes the growth of the local entrepreneurial ecosystem, with the nature of the program being a pay-it-forward system where successful graduates invest back into the local ecosystem.

2. The value of the increased good will from markets / audiences exposed to the sponsorship by the City of Perth.

Being the only local government in Australia to provide support of the startup ecosystem, FI CEO, Adeo Ressi, often speaks highly of the City Perth and its role in supporting the local innovation ecosystem.

FI program brings together everyone in the startup ecosystem to launch the companies. Program directors are leaders in the ecosystem. The mentors are founders and CEOs of local technology companies, as well as top CEOs from Silicon Valley, New York and other entrepreneurial hotspots.

Attendees constitute of hundreds of aspiring entrepreneurs during the program recruitment period, hosting a half dozen free events featuring prominent speakers and relevant topics. The most serious idea-stage entrepreneurs apply and are hand-picked for admission to the FI program.

The FI proposal also plays a crucial role in the development lifecycle of startups by ensuring the City of Perth is represented past the hackathon / entry level aspect of the industry all the way through to actual business attraction and commercialisation.

3. Contributes towards the achievement of one or more of the City's economic development objectives.

- to position the city as a city of regional and international significance;
- to increase visitation to the city;
- to increase economic investment in the city; and
- to create a vibrant, energetic 24 hour city.

By having Perth as one of the FI 2016 host cities, Perth is placed as a high as a city of interest on the worlds start-up map. Melbourne and Sydney are the only other cities within Australia to host a FI Semester. Perth regularly features in FI HQ's literature and is considered a high potential city transitioning out of a mining boom. FI Semesters in Perth encourages a pipeline of opportunities for Perth and diversification of its economy.

FI forecasts to meet its target of 100 of local graduates within five to seven years. This will increase the visitation to the city by world class technology investors. The OzApp Awards, for example, has placed Perth on the map as a city for technology investment. The continuation of FI in Perth will ensure a larger pipeline of opportunities for years to come where top US, European and Asian venture capitalists (Startup investors) will frequent Perth more often.

A key focus of FI is to acquire funding for graduates. Startups are capital intensive thus requiring funding to pursue business cases. Historically, high profile Perth technology companies have moved to interstate or international locations to secure funding (with examples such as Canva and iCuetica). FI programs thus aim to encourage the pipeline of technology companies so many

new idea stage ventures are developed each year, and the number of companies launching products is increased, generating revenue and encouraging investors to view Perth as a high potential source of deal flow. FI also encourages Perth deals to be backed by local Perth investors.

Lastly, startup's are traditionally created by the 20-40 year old age group. More startups therefore, will encourage visitation to the city before, during and after work hours, increasing the vibrancy of the city.

Economic Impact of Startups

PricewaterhouseCoopers Australia recently published a report entitled 'A Smart Move' which highlighted the economic value of supporting the startup ecosystem for the following reasons:

- Businesses have to come to terms with the monumental impact that digitisation and technology is having on business models, supply chains and customer behaviour;
- Innovation and Science, Technology, Engineering and Mathematics (STEM) education are key to future growth;
- \$57.4 billion increase in GDP if we shift just one percent of the Australian workforce into STEM roles; and
- With all of this in mind, Australia needs to better position itself to compete in the global economy of the future.

4. Benefits to be provided to the City.

The benefits provided to the City are detailed in the recommendation section of this report.

FINANCIAL IMPLICATIONS:

ACCOUNT NO:	CL43793000	
BUDGET ITEM:	Economic Services – Other Economic Services – Economic Development	
BUDGET PAGE NUMBER:	66	
BUDGETED AMOUNT:	\$3,025,577	This component is:
AMOUNT SPENT TO DATE:	\$1,638,827	\$172,573 – Creative Industries
PROPOSED COST:	\$ 15,000	
BALANCE:	\$1,371,750	

All figures quoted in this report are exclusive of GST.

COMMENTS:

It is recommended that the Council approves sponsorship of \$15,000 (excluding GST) to the FI to present the Founder Institute Perth 2016 Semester from Monday, 18 July 2016 until Tuesday, 15 November 2016.

By partnering with the FI, City of Perth sponsorship plays a part in launching meaningful and enduring technology companies. FI endeavors to facilitate “ideas stage” entrepreneurs and companies, and assist them in becoming successful in the national and global market. These entrepreneurs and companies in turn raise capital, hire teams, and release products that contributes significantly to the local economy.

ITEM NO: 7

CORPORATE SPONSORSHIP – IN THE ZONE EVENT SERIES 2016

**MARKETING, SPONSORSHIP (APPROVAL)
AND INTERNATIONAL
ENGAGEMENT COMMITTEE
RECOMMENDATION:**

That Council:

- 1. approves cash Corporate Sponsorship of \$20,000 (excluding GST) to the University of Western Australia to support the presentation of the In The Zone event series 2016;***
- 2. notes that the event organisers will present the In the Zone event series 2016;***
- 3. notes that the event organisers will provide the following sponsorship benefits to the City:***
 - 3.1 Acknowledgement as Silver Partner in all In the Zone marketing collateral including website and conference advertising;***
 - 3.2 Acknowledgement as Silver Partner at all In the Zone events, on event signage and at Official Opening of events;***
 - 3.3 Pull-up banners to be displayed at the event;***
 - 3.4 Opportunity to provide marketing materials for display during the events;***
 - 3.5 Opportunity to provide content for In The Zone website and use In The Zone logo and branding.***
- 4. notes that the City is to be provided with an acquittal report for the supported project, including all media coverage within three months of completion of the In The Zone conference.***

BACKGROUND:

FILE REFERENCE: P1010627-31
REPORTING UNIT: Business Support & Sponsorship
RESPONSIBLE DIRECTORATE: Economic Development & Activation
DATE: 29 March 2016
MAP / SCHEDULE: Schedule 9 – In the Zone Event Program

The Committee recommendation to the Council for this report was resolved by the Marketing, Sponsorship and International Engagement Committee at its meeting held on 3 May 2016.

The Committee recommendation to the Council is the same as that recommended by the Officers.

BACKGROUND:

The City of Perth has received a request for Corporate Sponsorship of \$20,000 (excluding GST) from Perth USAsia Centre to support the In the Zone event program in 2016. The event program commences with a conference which will be held on Saturday, 14 May 2016, in Jakarta, Indonesia in partnership with the Foreign Policy Community of Indonesia (FPCI) and followed by a series of roundtable events in Perth over the following months.

The Perth USAsia Centre is a non-partisan, not-for-profit institution that promotes stronger relationships between Australia, the Indo-Pacific and the USA by contributing to strategic thinking, policy development and enhanced networks between government, the private sector and academia.

Based at the University of Western Australia (UWA), the Centre works in close partnership with the United States Studies Centre at the University of Sydney, and draws on the distinctive attributes of Western Australia and its existing relationship to Asia.

Initiated in 2009 by UWA, In the Zone is a major project highlighting Western Australia's position and perspective in its engagement with the Indo-Pacific. It provides a strategic forum for business, policymakers, and researchers to respond to economic and strategic transformations in the region.

In partnership with UWA, the Perth USAsia Centre will continue to deliver the In the Zone conference and event series.

In 2015, In the Zone convened two high-profile events in Perth and Singapore. The events attracted high profile delegates including the Hon. Colin Barnett MLA, Premier of Western Australia, and the Hon. Julie Bishop MP, Australian Foreign Minister.

A panel of leading thinkers and commentators, including Paul Kelly, Editor-at-Large of the Australian, Professor the Hon Stephen Smith, Director of the Perth USAsia Centre, Krishna Sen, Professor of Indonesian Studies and Dean of Arts at UWA, and

Gordon Flake, CEO of the Perth USAsia Centre, discussed the changing nature of social, political and economic relationships in Indonesia and the rest of the zone.

Past support:

The City of Perth has provided sponsorship for In the Zone since 2009/10. Recent sponsorship is as follows:

Year	Sponsorship Amount	Supported Program
<i>2009/10</i>	<i>In-Kind</i>	<i>In the Zone</i>
<i>2011/12</i>	<i>\$20,000</i>	<i>In the Zone</i>
<i>2013/14</i>	<i>\$20,000</i>	<i>In the Zone</i>
<i>2014/15</i>	<i>\$20,000</i>	<i>In the Zone</i>
<i>Requested 2015/16</i>	<i>\$20,000</i>	<i>In the Zone</i>
<i>Proposed 2015/16</i>	<i>\$20,000</i>	<i>In the Zone</i>

The 2014 Annual Report has been received. This information has been reviewed and demonstrates satisfactory governance and financial management capability.

LEGISLATION / STRATEGIC PLAN / POLICY:

Integrated Planning and Reporting Framework Implications

Strategic Community Plan

Council Four Year Priorities: Community Outcome
Perth as a Capital City
The City is recognised internationally as a city on the move and for its liveability, talented people and centres of excellence and business opportunities.

Policy

Policy No and Name: Policy 18.8 – Provision of Sponsorship and Donations

DETAILS:

Eligibility:

Policy 18.8 establishes the criteria for the City's assessment of sponsorship applications requiring the applicant to demonstrate alignment with the policy's objectives and selection criteria as follows:

Criterion	Criterion Met
Events and activities held outside of the city of Perth which will increase awareness of, and goodwill for, the City of Perth	Yes
Support for the activities of organisations or individual which provide positive positioning for the City of Perth	Yes

DETAILS:

Project Summary:

In the Zone 2016 conference will be held in Jakarta, Indonesia on Saturday, 14 May 2016. The event will be followed by a series of associated roundtable events in Perth. Perth USAsia Centre will present the event in partnership with the FPCI, founded by former Indonesian Ambassador to the USA, Dr Dino Patti Djalal.

The theme of In the Zone 2016 is Agriculture. The conference series will explore a diverse range of agricultural production and food security related topics. The conference is intended to provide a contemporary outlook on regional economic and demographic trends, identify key areas and sectors of current and future needs and focus on the critical role of innovation and technology in driving the shift required to ensure the food needs of people across the Indo-Pacific are met.

Former President of Indonesia, Dr Susilo Bambang Yudhoyono, Dr Dino Patti Djalal and Professor Kadambot Siddique AM, Director, UWA Institute of Agriculture have agreed to speak at the event.

Approximately 3,100 delegates will be invited to attend In the Zone 2016. The organisation does not charge a registration fee to attend the event.

In June and October 2016, Perth USAsia Centre will present two roundtable events on the Conference theme, Agriculture, at the Senate Room, University of Western Australia (UWA). In September, a moderated panel discussion will be held in Perth, many of the speakers from the In the Zone conference will be in attendance, including Dr Susilo Bambang Yudhoyono and Professor Kadambot Siddique AM.

In September, a moderated panel discussion with former Indonesia president, Dr Susilo Bambang Yudhoyono (SBY) will be held at be either the Dolphin Theatre or the Auditorium at the UWA University Club. The panel discussion will also feature other speakers from the Jakarta conference, Professor Siddique Kadambot and Professor Kent Anderson from UWA, and will be moderated by Gordon Flake.

Three roundtable discussions will held on 21 June, 18 October and 22 November 2016 from 12.00pm to 2.00pm in the Senate Room at UWA. These will follow the format of the Perth USAsia Centre private roundtable discussion and luncheon series. The first two roundtable discussions will focus on agriculture and insights gained from In the Zone's Jakarta conference on the agricultural sector in the Indo-Pacific, and the third will be a segue into next year's In the Zone.

Program:

The program for this event is detailed in Schedule 9.

ASSESSMENT:

The application was measured against the objectives and criteria outlined in Policy 18.8 Provision of Sponsorship and Donations.

Markets / audiences who will be exposed to sponsorship information:

- State and Federal Governments;
- National and international business, thought and policy leaders;
- Members of leading international think tanks;
- Potential investors in Perth, in growth sectors such as agriculture and premium food;
- Audiences in India, Indonesia, Korea, Japan, Myanmar and China through international journalists; and
- Readers of The Australian newspaper.

Promotion of City of Perth to Markets / audiences:

Perth USAsia Centre will promote the City's support for *In the Zone* 2016 as per the sponsorship benefits outlined in the recommendation section of this report. The benefits and exposure from this promotion will traverse Australia and the Asia region.

The City will be promoted to markets / audiences through the following channels:

- The Australian newspaper, the Perth USAsia Centre will commission a Special Report for the newspaper. Key journalists and commentators from The Australian will be invited to facilitate panels during the event;
- International media (India, Indonesia, Korea, Japan, Myanmar and China); and
- In the Zone online platforms.

Assessment of Application (Corporate):

1. The opportunity the sponsorship provides to enhance the image of the City of Perth.

Sponsorship of *In the Zone* 2016 presents an opportunity for the City to promote its position as a leader in international collaboration, innovation and investment in agriculture, particularly with key countries in the Indo-Pacific region.

The conference series will help to raise the profile of Perth as a business and investment destination in one of our emerging key target markets.

The conference's focus on agri-business also aligns with an emerging economic growth area for the City which recognises WA's ability to service the needs of the regions growing food requirements.

The conference also promotes Perth as an ideal international education destination. Partnering with UWA on this significant and influential conference helps to reinforce the profile of Perth in terms of being an international education city.

Growing Asian demand for food and food security will make agriculture a key growth market for Perth and for Western Australia.

2. The value of the increased good will from markets / audiences exposed to the sponsorship by the City of Perth.

The City of Perth will continue to build its reputation in the Asia region as a strong supporter of international relations and a leader in collaboration to address and improve key policy areas relating to the interests of the Indo-Pacific region.

Perth USAsia Centre will commission a new version of its Smart Power series, focussing on the demographic trends associated with agricultural production and supply, food security and consumption patterns in the Indo-Pacific region. This report will be launched during the forum. This will create investment related data and collateral to market this sector for Perth.

3. Contributes towards the achievement of one or more of the City's marketing objectives.

The project meets the following objectives:

To position the City of Perth as a city of regional and international significance

- City of Perth marketing material will be visible to an international audience for this event, 3,100 individuals will be invited to attend; and
- As a Silver Partner the City will be recognised as a contributor to international collaboration and business development.

To increase visitation to the City

- In the Zone roundtable events will occur in Perth in the months following the conference in Jakarta. 150 guests will be invited to participate in these events, including international trade delegations and policy leaders.

To increase economic investment in the city

- The conference aims to highlight policy issues and develop solutions, creating an attractive investment environment for potential businesses and investors;
- The conference promotes Perth as an attractive investment destination, being situated in a strategic geographical location, a four hour flight from Jakarta, the largest city in Southeast Asia and in the same time zone as 60 per cent of the world's population.; and
- The conference promotes a growth opportunity that Perth can capitalise on in the form of premium food and agribusiness investment.

Sponsorship Benefits

The benefits provided to the City are detailed in the Recommendation section of this report.

FINANCIAL IMPLICATIONS:

ACCOUNT NO:	CL 43 C46 000
BUDGET ITEM:	Economic Services – Other Economic Services – Economic Development
BUDGET PAGE NUMBER:	66
	BUDGET ITEM
BUDGETED AMOUNT:	\$3,025,577
AMOUNT SPENT TO DATE:	\$1,492,176
PROPOSED COST:	\$ 20,000
BALANCE:	\$1,513,401

All figures quoted in this report are exclusive of GST.

COMMENTS:

International conferences such as this provide an environment where policy makers, leading commentators and think tanks can exchange ideas and demonstrate international collaboration and innovation, and promote the city as an ideal international education destination.

The conference's focus on agri-business also aligns with an emerging economic growth area for the city.

An amount of \$20,000 (exclusive of GST) in Corporate Sponsorship is recommended to support the delivery of *In the Zone* conference series. In return for sponsorship at this level the City will be recognised as a Silver Partner of In the Zone 2016.

The In the Zone conference series presents an opportunity for the City to support a topical international conference that will enhance the image of the City of Perth and encourage goodwill towards the City from an international audience.

AUDIT AND RISK COMMITTEE REPORTS

ITEM NO: 8

RISK MANAGEMENT UPDATE – MAY 2016

**AUDIT AND RISK COMMITTEE (INFORMATION)
RECOMMENDATION:**

***That Council receives the report titled Risk Management Update
– May 2016***

BACKGROUND:

FILE REFERENCE: P1013822-3 TRIM
REPORTING UNIT: Governance
RESPONSIBLE DIRECTORATE: Corporate Services
DATE: 13 April 2016
MAP / SCHEDULE: Schedule 10 – Update on High and Extreme Risks
Confidential Schedule 11 – LGIS Service Proposal
(distributed to Elected Members under separate cover)

The Committee recommendation to the Council for this report was resolved by the Audit and Risk Committee at its meeting held on 9 May 2016.

The Committee recommendation to the Council is the same as that recommended by the Officers.

LEGISLATION / STRATEGIC PLAN / POLICY:

Legislation *Local Government Act 1995*
Regulation 17 of the Local Government (Audit) Regulations 1996

Integrated Planning and Reporting Framework Implications **Strategic Community Plan**
Council Four Year Priorities: Capable and responsive organisation
S18 Strengthen the capacity of the organisation

Policy

Policy No and Name: 19.1 - Enterprise Risk Management

DETAILS:

Policy and Framework

The City is committed to a culture of risk management, where risk is considered at three levels; strategic, operational and project. Operational and Strategic Risks are currently housed in the City's risk management system (RMSS) and are reviewed on an annual basis as part of the Business Planning Process. Project level risks are managed by relevant staff in the delivery of the projects, and where relevant are documented within specific service areas.

The Enterprise Risk Management Policy 19.1 states the purpose of risk management being:

"To protect the community, the City of Perth and its workers against foreseeable risks through developing a whole of enterprise culture of risk awareness, plans that reduce our risk exposure and systems that provide information to assist in informed decision making, maximising asset potential and enhancing community wellbeing."

Under the framework the Audit and Risk Committee has the responsibility for the systems and processes for risk management in line with the *Local Government (Audit) Regulations 1996*. The framework states that strategic and high level operational risks will be reported to the Audit and Risk Committee and Council on a six monthly basis. Schedule 1 fulfils the reporting requirements of the framework.

ORGANISATIONAL RISK MATURITY ASSESSMENT

BACKGROUND:

The City conducted an Organisational Risk Maturity Assessment in 2012. Following the assessment the City developed and implemented a Risk Management Framework. As part of the rollout of the framework, the following milestones were achieved:

- Development of a Risk Management Program comprised of policy, framework documents and handbook – complimented by risk management procedures, guidelines and manuals;
- Development of Operational and Strategic Risk Registers;
- Establishment of the Risk Management Taskforce and supporting working groups;
- Purchase and implementation of RMSS – Risk Monitoring and Reporting System; and
- Development of a Business Continuity Framework.

With the recent organisational restructure and *City of Perth Act* coming into effect 1 July 2016, the City is conducting an organisational risk maturity assessment of the framework, risk culture and systems to get a measure of the effectiveness and maturity of the Enterprise Risk Management Program over the past four years. An

understanding of the effectiveness of the risk program will enable the City to plan for uncertainties and strengthen risk mitigation strategies.

The assessment will be designed to assist the City generate the requirements to improve risk management competencies. The City will look to benchmark its risk management practices to the relevant Australian risk standard in order to identify the Enterprise Risk Management Program's maturity level, strengths and weaknesses, and next steps in the evolution of the program for the next 6 – 18 months.

The intention is to conduct maturity assessments on the City's Risk Management Framework and Risk Culture every 2 years so as to have the outcomes of the assessments included in the requirements of *Regulation 17 (Local Government (Audit) Regulations 2013)*;

"17. CEO to review certain systems and procedures

(1) The CEO is to review the appropriateness and effectiveness of a local government's systems and procedures in relation to —

- (a) risk management; and*
- (b) internal control; and*
- (c) legislative compliance.*

(2) The review may relate to any or all of the matters referred to in sub regulation (1)(a), (b) and (c), but each of those matters is to be the subject of a review at least once every 2 calendar years.

(3) The CEO is to report to the audit committee the results of that review."

DETAILS:

The maturity assessment has the following objectives:

- Assessment of the City against the 11 risk management principles prescribed in *AS/NZ ISO 31000:2009 Risk Management Principles & Guidelines* (the Standard).
- Assessment of the City's risk management culture, practices and processes against the endorsed Risk Management Framework

The assessment will be conducted jointly by Local Government Insurance Services (LGIS) and the City's Risk Management Coordinator (RMC) as per attached Schedule 11.

LGIS provides risk management, insurance and well-being solutions specifically for WA Local Governments through the pooled insurance scheme. LGIS also provide ongoing support to WA Local Governments, including the City of Perth, in Events Management, Safety and Health, Risk Management and Business Continuity and these services are part funded by the scheme.

Recent examples of LGIS working with the City on risk management projects includes:

- Facilitation of City of Perth Skyworks Emergency Management Exercise;
- Contractor Awareness Training;
- Health and Wellbeing Programme;
- Investigation of Critical Incidents;
- Event Risk Management Training; and
- Public Liability Site Reviews and provision of OSH Services.

The benefits of undertaking this proposal from LGIS are that the cost will be at a minimum and the training provided will be entirely funded by the scheme thereby providing greater value for money to the City.

The 11 principles prescribed in the Standard to be assessed being;

1. Risk management creates and protects value.
2. Risk management is an integral part of all organisational processes.
3. Risk management is part of decision making.
4. Risk management explicitly addresses uncertainty.
5. Risk management is systematic, structured and timely.
6. Risk management is based on the best available information.
7. Risk management is tailored.
8. Risk management takes human and cultural factors into account.
9. Risk management is transparent and inclusive.
10. Risk management is dynamic, iterative and responsive to change.
11. Risk management facilitates continual improvement of the organisation.

COMMENTS:

The maturity assessment will contribute towards the continuous review and improvement of the City's Risk Management Framework as per Figure 1 below.



Figure 1

Following the assessment, LGIS will deliver a presentation of the assessment findings at the City's Corporate OSH and Risk Committee to be held on 13 July 2016 and to the Audit and Risk Committee meeting to be held on 8 August 2016.

Concurrent to the risk management maturity assessment, the City will be looking to completing the development of its Business Continuity Planning Framework by the end of the current financial year.

The project to design and set up Citipace as the alternate site for Council House is ongoing with the following milestones to be achieved;

- Funding approved to commence the setup of infrastructure (including IT infrastructure) at Citipace in the February Budget review with completion due June 2016.
- Procurement of IT Hardware (Phone and Computers etc.) to be undertaken with completion due September 2016.

Testing of the completed location business continuity plans and the Council House alternate site will be conducted in the upcoming financial year, with the outcomes of the testing incorporated into the work plan for implementing the recommendations of the risk management maturity assessment.

UPDATE ON HIGH AND EXTREME RISKS

At the Audit and Risk Committee meeting held on 22 February 2016, it was requested that the Committee Members be provided with an update of the

organisation's high & extreme risks. The update was provided through a Memo (*Update on High and Extreme risks*) to members of the committee on 8 March 2016.

Under the City's Enterprise Risk Management Framework, the Audit and Risk Committee has the responsibility for the overseeing of the City's systems and processes for risk management in accordance with regulation 17 of the *Local Government (Audit) Regulations 2013*.

The framework states that high and extreme strategic and operational risks will be reported to the Audit and Risk Committee and Council on a six monthly basis. Schedule 10 (*Update on High and Extreme risks*) fulfils this commitment and provides the risk updates to the committee for discussion.

FINANCIAL IMPLICATIONS:

ACCOUNT NO:	75B21000-7230
BUDGET ITEM:	Risk Management
BUDGET PAGE NUMBER:	X
BUDGETED AMOUNT:	\$3,870
AMOUNT SPENT TO DATE:	\$ 0
PROPOSED COST:	\$3,870
BALANCE:	\$3,870

ANNUAL MAINTENANCE:	N/A
ESTIMATED WHOLE OF LIFE COST:	\$3,870

All figures quoted in this report are exclusive of GST.

Each risk identified may have its own financial implications which will be the subject of normal budget consideration.

ITEM NO: 9

INTERNAL AUDIT 2015/16 – PETTY CASH REVIEW

AUDIT AND RISK COMMITTEE (APPROVAL)
RECOMMENDATION:

That Council approves the audit of existing controls and practices relating to management of petty cash within the City of Perth as part of the Internal Audit Plan 2015/16 as detailed in Confidential Schedule 12.

BACKGROUND:

FILE REFERENCE: P102969-8
REPORTING UNIT: Internal Audit
RESPONSIBLE DIRECTORATE: Corporate Services
DATE: 13 April 2016
MAP / SCHEDULE: Confidential Schedule 12 – Petty Cash Review March 2016 (distributed to Elected Members under separate cover)

The Committee recommendation to the Council for this report was resolved by the Audit and Risk Committee at its meeting held on 9 May 2016.

The Committee recommendation to the Council is the same as that recommended by the Officers.

The City of Perth Internal Audit Plan 2015/16 was approved by Council at its meeting held on **9 June 2015**.

As part of the City's 2015/16 Internal Audit Plan, an audit of existing controls and practices relating to management of petty cash was carried out in March 2016. Confidential Schedule 12 details the findings of this audit.

LEGISLATION / STRATEGIC PLAN / POLICY:

Legislation *Local Government (Audit) Amendment Regulations 2013*

Integrated Planning and Reporting Framework Implications **Strategic Community Plan**
Council Four Year Priorities: Capable and Responsive Organisation.
S18 Strengthen the capacity of the organisation

Policy

Policy No and Name: 19.1 – Enterprise Risk Management

DETAILS:

The findings of the internal audit are detailed in the attached Confidential Schedule 12.

FINANCIAL IMPLICATIONS:

There are no financial implications related to this report.

ITEM NO: 10

INTERNAL AUDIT 2015/16 – INFORMATION SECURITY REVIEW

AUDIT AND RISK COMMITTEE (APPROVAL)
RECOMMENDATION:

That Council approves the Information Security Review as part of the Internal Audit Plan 2015/16 as detailed in Confidential Schedule 13.

BACKGROUND:

FILE REFERENCE: P102969-8
REPORTING UNIT: Internal Audit
RESPONSIBLE DIRECTORATE: Corporate Services
DATE: 27 April 2016
MAP / SCHEDULE: Confidential Schedule 13 – Information Security Review
April 2016 (distributed to Elected Members under separate cover)

The Committee recommendation to the Council for this report was resolved by the Audit and Risk Committee at its meeting held on 9 May 2016.

The Committee recommendation to the Council is the same as that recommended by the Officers.

The City of Perth Internal Audit Plan 2015/16 was approved by Council at its meeting held on **9 June 2015**.

As part of the City's 2015/16 Internal Audit Plan, an Information Security Review was carried out in March and April 2016. Confidential Schedule 13 details the findings of this review.

LEGISLATION / STRATEGIC PLAN / POLICY:

Legislation *Local Government (Audit) Amendment Regulations 2013*

Integrated Planning and Reporting Framework Implications **Strategic Community Plan**
Council Four Year Priorities: Capable and Responsive Organisation
S18 Strengthen the capacity of the organisation

Policy

Policy No and Name: 19.1 – Enterprise Risk Management

DETAILS:

The findings of the review are detailed in the attached Confidential Schedule 13.

FINANCIAL IMPLICATIONS:

There are no financial implications related to this report.

ITEM NO: 11

OUTSTANDING INTERNAL AUDIT RECOMMENDATIONS – MAY 2016

**AUDIT AND RISK COMMITTEE (INFORMATION)
RECOMMENDATION:**

That Council receives the report summarising the status of outstanding internal audit recommendations as at May 2016.

BACKGROUND:

FILE REFERENCE: P1029698
REPORTING UNIT: Internal Audit
RESPONSIBLE DIRECTORATE: Corporate Services Directorate
DATE: 26 April 2016
MAP / SCHEDULE: Confidential Schedule 14 – Outstanding Recommendations – May 2016 (distributed to Elected Members under separate cover)

The Committee recommendation to the Council for this report was resolved by the Audit and Risk Committee at its meeting held on 9 May 2016.

The Committee recommendation to the Council is the same as that recommended by the Officers.

LEGISLATION / STRATEGIC PLAN / POLICY:

Legislation *Local Government (Audit) Amendment Regulations 2013*

Integrated Planning and Reporting Framework Implications **Strategic Community Plan**
Council Four Year Priorities: Capable and Responsive Organisation
S18 Strengthen the capacity of the organisation

Policy

Policy No and Name: 19.1 – Enterprise Risk Management

DETAILS:

Internal audit recommendations to improve controls are followed up with relevant staff to ensure agreed action is being taken to address identified control weaknesses. Where it is confirmed that agreed action has taken place or no further action is possible the recommendation is considered to be closed.

A recommendation is considered to be outstanding where agreed action has yet to be completed. As at May 2016 eight internal audit recommendations remain outstanding as per the attached Confidential Schedule 14 which provides a summary of the recommendation, action plan to address the issue, person(s) responsible for implementing the action, current status of action to address the issue as well as target date for completion of action.

FINANCIAL IMPLICATIONS:

There are no financial implications related to this report.

COMMENTS:

Provision of this report facilitates the monitoring of progress of action to address the outstanding internal audit recommendations from prior internal audits carried out.

Recommendations contained within internal audit reports presented in the May 2016 Audit and Risk Committee meeting will be followed up with relevant staff and the status of outstanding recommendations from these reports will be reported to the next Audit and Risk Committee meeting.

FINANCE AND ADMINISTRATION COMMITTEE REPORTS

ITEM NO: 12

TENDER 076-15/16 – CCTV MIGRATION STAGE 2

FINANCE AND ADMINISTRATION (APPROVAL)
COMMITTEE
RECOMMENDATION:

That Council:

- 1. accepts the most suitable tender, being that submitted by Data Line Visual Link Pty Ltd for stage 2 of the migration of CCTV from analogue to digital at a lump sum of \$353,566 (EXC GST); and*
- 2. authorises the Chief Executive Officer to execute and vary the Tender contract.*

BACKGROUND:

FILE REFERENCE: P1032548
REPORTING UNIT: Community Amenity and Safety
RESPONSIBLE DIRECTORATE: Community and Commercial
DATE: 13 April 2016
MAP / SCHEDULE: Confidential Schedule 15 – Tender Evaluation Matrix
(distributed to Elected Members under separate cover)

The Committee recommendation to the Council for this report was resolved by the Finance and Administration Committee at its meeting held on 10 May 2016.

The Committee recommendation to the Council is the same as that recommended by the Officers.

In December 2013 the City of Perth embarked on a project to migrate its CCTV system from an analogue system to a digital system. During 2014/15 stage 1 of this project was completed resulting in the recording capacity of the system upgraded to provide 31 days recording from each camera.

The current tender will allow all field cabinets to be upgraded and out dated technology to be replaced with more robust and stable technology resulting in better quality footage and fewer faults with the system.

Tender 076-15/16 - CCTV Migration – Phase 2 was advertised in the West Australian on 5 March 2016. Tenders closed at 2.00pm on 24 March 2016 and five tenderers submitted proposals for consideration:

- 7th Dimension
- Dataline Visual Link Pty Ltd
- Downer EDI Pty Ltd
- Intervid
- Sontec

LEGISLATION / STRATEGIC PLAN / POLICY:

Legislation *Local Government Act 1995* section 3.57 - Tenders for providing goods or services
Local Government (Functions and General) Regulations 1996 - Division 2- Tenders for providing goods or services

Integrated Planning and Reporting Framework Implications **Strategic Community Plan**
Council Four Year Priorities: Perth at Night
S13 Further improve safety and security

DETAILS:

Tenderers were required to address the selection criteria in the specification to demonstrate both their experience and ability to fulfil all of the specified requirements including price.

The criteria for assessment included:

- Ability to provide/fulfil all specified items/requirements;
- Programme of Works/Capability to complete within any specified timeframe;
- Demonstrate previous experience delivering IT/Network requirements for CCTV for example Routing/Switching, IP addressing, QoS and network design;
- Experience with similar works/services or supply of goods; and
- Experience/Qualifications of project personnel including IT Network experience.

The five submissions were assessed and ranked according to the criteria with particular emphasis on experience and compliance. Each submission was assessed individually and ranked in order of merit against the criteria.

Based on the selection criteria the submissions were ranked as follows:

1. Data Line Visual Link Pty Ltd

Dataline Visual Link provided a very good submission that exceeded the selection criteria. The company is currently the maintenance contractor for the City's on street CCTV system and was awarded the contract for Phase 1 of the Migration project.

2. Downer EDI Pty Ltd

Downer EDI provided a very good submission that exceeded the selection criteria. The company has been awarded contracts previously; the most recent was the installation of three cameras at Jacobs Ladder and the installation of eight cameras at Taxi rank locations throughout the CBD and Northbridge.

3. Sontec

Sontec provided a good submission with no deficiencies however did not exceed the selection criteria at any point in the submission. The company has not previously worked for the City.

4. Intervid

Intervid submitted a marginal offer with some deficiencies which only partly meet the selection criteria. Intervid previously held the maintenance contract for the City's on street CCTV system and have previously been awarded contracts for installation of CCTV in the City.

5. 7th Dimension

7th Dimension's submission did not meet any of the selection criteria. The company has not previously worked for the City.

The following table outlines the pricing for each Tenderer.

Dataline Visual Link Pty Ltd	\$ 353,566
Downer EDI Pty Ltd	\$ 399,567
Sontec	\$ 542,960
Intervid	\$ 499,601
7 th Dimension	\$ 271,981

FINANCIAL IMPLICATIONS:

ACCOUNT NO:	CW 1611
BUDGET ITEM:	Supporting Schedules
BUDGET PAGE NUMBER:	Page 3
BUDGETED AMOUNT:	\$880,000
AMOUNT SPENT TO DATE:	\$ 21,944
PROPOSED COST:	\$353,566
BALANCE:	\$504,490
ANNUAL MAINTENANCE:	\$250,000

All figures quoted in this report are exclusive of GST.

COMMENTS:

Data Line Visual Link (DVL) and Downer EDI both submitted very detailed and competitive quotes and have both previously provided CCTV installations and services to the City. The evaluation matrix ranked Downer EDI above DVL by 0.25% however the evaluation highlighted that both companies had the capacity to perform well during this contract.

The panel then took into account the comparative pricing from both companies and came to the conclusion that the DVL submission was the best value for money and it is therefore recommend that DVL be awarded this contract.

ITEM NO: 13

COMMONWEALTH WALKWAY PROJECT, PERTH

**FINANCE AND ADMINISTRATION
COMMITTEE
RECOMMENDATION:**

**(ADVICE TO THE OUTDOOR
TRUST)**

That Council advises the Outdoor Trust that it supports the Commonwealth Walkway Project, Perth, on the following conditions:

- 1. the City of Perth is consulted on the development of a suitable route and the selection of sites for the placement of markers, and is satisfied that the Walkway complements existing walk trails, offers a genuinely distinctive perspective on our City, responds to local needs, and delivers the best possible outcome for our community;***
- 2. a community consultation plan is presented to the City for approval;***
- 3. evidence of broad community interest and support for the project is obtained via implementation of the consultation plan and presented to the satisfaction of the City;***
- 4. that the Trust and its partners confirm that they have funds to undertake all aspects of the development and delivery of the project, including all care, control and maintenance of the walkway after completion; and***
- 5. that the City of Perth will approve the schedule for the Outdoor Trust's installation of markers and implementation of the Commonwealth Walkway when it is satisfied that all conditions have been met.***

BACKGROUND:

FILE REFERENCE: P1032056
REPORTING UNIT: Arts, Culture and Heritage
RESPONSIBLE DIRECTORATE: Economic Development and Activation
DATE: 22 April 2016
MAP / SCHEDULE: N/A

The Committee recommendation to the Council for this report was resolved by the Finance and Administration Committee at its meeting held on 10 May 2016.

The Committee recommendation to the Council is the same as that recommended by the Officers.

In a letter dated 16 February 2015, a UK based charity called the Outdoor Trust made an approach to the City of Perth, regarding a proposal to install a number of markers bearing the Queen's cipher to create a walkway through Perth celebrating Perth's place in the Commonwealth and the reign of Her Majesty the Queen Elizabeth II. It is the Outdoor Trust's aim to establish 100 such "Commonwealth Walkways" in cities across the 71 nations and territories of the Commonwealth over the next three years.

This proposal has been presented to Council on two occasions, on **17 March 2015** and **17 November 2015**. Council has endorsed the City's involvement in further discussions around the proposal, in the development of a suitable route for the walkway, and in seeking funding for the project from Lotterywest and other funding sources. For a two month period (November-December 2015), a local volunteer trails advocate worked on the project whilst being accommodated in the Arts, Culture and Heritage area of the City.

City Officers have worked to explore this proposal in some depth and have concluded that the project requires additional work in several areas. The purpose of this report is to provide some detail about the outcomes and findings of the development work that has been done, informing these recommendations.

LEGISLATION / STRATEGIC PLAN / POLICY:

**Integrated Planning
and Reporting
Framework
Implications**

Strategic Community Plan

Council Four Year Priorities: Healthy and Active in Perth

S16 Increase accessibility to green networks in the city

DETAILS:

As per the **24 November 2015** Council resolution, City Officers have been involved in discussions around the development of a suitable route for the Commonwealth Walkway, Perth. At the current time the preferred route for the Commonwealth Walkway has yet to be agreed, pending confirmation of the following points:

- Consultation and other available evidence is needed to establish that a walkway focused on the Queen and Commonwealth would be a priority in Perth and that it has broad community interest and support.
- The potential routes proposed to date identify sites for markers that highlight features of Perth that are already included in the several other walking trails, and guided tours on offer in the city. It needs to be established that this walkway would complement what is available, offering something genuinely distinctive and adding value for the community.

- It needs to be established that the proposed CBD-centred walkway, featuring predominantly historical and architectural sites and sites with links to the Commonwealth, will appeal particularly to people under 30 and get people walking, as per the stated goals of Commonwealth Walkways.

It is considered that these concerns should be addressed in detail, evidencing a clear community demand, an understanding of the local audience and a set of objectives that justifies the place of a Commonwealth Walkway in Perth, prior to the placement of markers.

In the report approved by Council on **17 March 2015**, it was noted that “the organisers of [the Commonwealth Walkway] have advised when meeting with City Officers that they will not be seeking any cash funding from the City for the establishment of the Walkway.” In a 9 June 2015 letter to the Lord Mayor, the Outdoor Trust had revised this position to state that one of the commitments asked of the City of Perth was to:

“Help [the Outdoor Trust] to meet the costs in Perth (and of the Outdoor Trust charity if in advance of an international sponsor for the whole scheme being secured).”

Subsequently it has also been identified that the proposed website/mobile application, conceived as an integral part of the Commonwealth Walkway, would also require the allocation of additional funds by the City of Perth, at least until such time as another local sponsor could be found to support the project.

In accordance with Council’s **24 November 2015** resolution, the City has pursued external financial support for the project. Working with a local volunteer advocate for the Trust, City Officers met with a Lotterywest Grants Manager on 19 November 2015 to explore the possibility that Lotterywest grant funding could support the project. This discussion identified that Lotterywest would be an unlikely source of funding for the project because:

- It had not been established that the Commonwealth Walkway Project, Perth was something for which there was demonstrated community demand or support.
- The Commonwealth Walkway Project, Perth, as envisaged by the Outdoor Trust, did not fit readily into the eligible grant categories and priorities for Lotterywest funds.

Recently, the City has been advised by a representative of the Outdoor Trust that the National Trust of Australia has established a Trust Account for the Commonwealth Walkway and that \$80,000 has so far been committed from undisclosed sources, specifically in support of the project in Perth. This sum is adequate to meet the Outdoor Trust’s initial cost estimate for the project which was in the region of \$80,000. It is noted, however, that this initial estimate from the UK has yet not been verified in detail locally, and does not include costs associated with the development of the Walkway in Perth or the development and implementation of a community consultation plan around the project.

The City of Perth's original consideration of this proposal was on the basis that no cash contribution from the City of Perth would be required to deliver the Commonwealth Walkway in Perth, though the City's resources were to support the development, launch and long term maintenance of the Walkway. At the present time appropriate community consultation that demonstrates broad community support for the Commonwealth Walkway is not available to support the City's allocation of funds to the Project. It is recommended that the City supports the Outdoor Trust's independent pursuit of the project in Perth if the Trust is able to meet the conditions outlined in this report.

FINANCIAL IMPLICATIONS:

The City's commitment of resources is limited to the allocation of staff time for the purposes of liaison with the Outdoor Trust and associates to ensure the conditions are met, including that the Outdoor Trust fulfils its long term maintenance obligations.

Therefore, the recommendation of this report will have negligible financial implications for the City.

COMMENTS:

It is recommended that the City approves the installation of markers on City land only when the whole route has been resolved to the City's satisfaction, and funding sufficient for the delivery of the whole project can be guaranteed.

ITEM NO: 14

FINANCIAL STATEMENTS AND FINANCIAL ACTIVITY STATEMENT FOR THE PERIOD ENDED 31 MARCH 2016

**FINANCE AND ADMINISTRATION (APPROVAL)
COMMITTEE
RECOMMENDATION:**

***That Council approves the Financial Statements and the
Financial Activity Statement for the period ended 31 March 2016
as detailed in Schedule 16.***

BACKGROUND:

FILE REFERENCE: P1014149-25
REPORTING UNIT: Finance
RESPONSIBLE DIRECTORATE: Corporate Services
DATE: 19 April 2016
MAP / SCHEDULE: Schedule 16 – Financial Statements and Financial
Activity Statement for the period ended 31 March
2016

The Committee recommendation to the Council for this report was resolved by the Finance and Administration Committee at its meeting held on 10 May 2016.

The Committee recommendation to the Council is the same as that recommended by the Officers.

LEGISLATION / STRATEGIC PLAN / POLICY:

Legislation	Section 6.4(1) and (2) of the <i>Local Government Act 1995</i> Regulation 34(1) of the <i>Local Government (Financial Management) Regulations 1996</i>
Integrated Planning and Reporting Framework Implications	Strategic Community Plan Council Four Year Priorities: Capable and Responsive Organisation S18 Strengthen the capacity of the organisation

DETAILS:

The Financial Activity Statement is presented together with a commentary on variances from the revised budget.

FINANCIAL IMPLICATIONS:

There are no direct financial implications arising from this report.

COMMENTS:

The Financial Activity Statement commentary compares the actual results for the nine months to 31 March 2016 with the revised budget approved by Council on **15 March 2016**.

ITEM NO: 15

DIFFERENTIAL RATING – PRELIMINARY SETTING OF THE ANNUAL RATES LEVY FOR 2016/17

**FINANCE AND ADMINISTRATION (APPROVAL)
COMMITTEE
RECOMMENDATION:**

That Council

1. ***approves the advertising of the differential rates based on the predominant purpose for which the land is held in accordance with Section 6.36(3)(b) of the Local Government Act 1995 as follows:***
 - 1.1 ***Commercial*** – 5.08334 cents in the dollar;
 - 1.2 ***Hotel*** – 5.08334 cents in the dollar;
 - 1.3 ***Office*** – 2.95448 cents in the dollar;
 - 1.4 ***Residential*** – 4.48135 cents in the dollar;
 - 1.5 ***Retail*** – 5.08334 cents in the dollar;
 - 1.6 ***Vacant Land*** – 5.90855 cents in the dollar;
2. ***notes the intent of increasing rates revenue by 1.6%, comprising of only a CPI adjustment;***
3. ***notes the increase in rate revenue on current rate base of \$1.3 million;***
4. ***notes the intention of retaining the principle of rating vacant land at twice the rate applied to the lowest rated category, being the Office category, to encourage development in the City; and***
5. ***notes the increase to the minimum rate by \$10 to \$695 in each rate differential category.***

BACKGROUND:

FILE REFERENCE: P1032338
REPORTING UNIT: Finance
RESPONSIBLE DIRECTORATE: Corporate Services Directorate
DATE: 3 May 2016
MAP / SCHEDULE: N/A

The Committee recommendation to the Council for this report was resolved by the Finance and Administration Committee at its meeting held on 10 May 2016.

The Committee recommendation to the Council is the same as that recommended by the Officers.

LEGISLATION / STRATEGIC PLAN / POLICY:

Legislation Section 6.33 of the *Local Government Act 1995*

Integrated Planning and Reporting Framework Implications **Strategic Community Plan**
Council Four Year Priorities: Capable and Responsive Organisation
S18 Strengthen the capacity of the organisation

Policy
Policy No and Name: 9.1 – Budget Policies

DETAILS:

The differential rates were approved by Council on **26 April 2016** and advertised in the press for comment as required by the *Local Government Act 1995*. It then became apparent that there was an error in the original report submitted to Council in that differential rates for the Commercial and Hotel rates categories were incorrectly stated at 5.008334, not the correct 5.08334.

This revised report correctly states the differential rates for these two rates categories and once approved by Council the correct rates in the dollar will be re-advertised. The impact of this error is the cost of re-advertising the City's differential rates. The timeline for approval of the City's 2016/17 Budget will be impacted as follows:

Approval of Differential Rates	
Finance & Administration Committee Meeting	10 May 2016
Council Meeting	17 May 2016
Advertising of Differential Rates	
Press Advert	20 May 2016
End of period for comment from ratepayers	10 June 2016
Approval of 2016/17 Budget	
Finance & Administration Committee Meeting	21 June 2016
Council Meeting	28 June 2016

Differential rating enables the City to vary the impact of its rates on different classes of ratepayers.

The revenue raised from rates in accordance with the Annual Budget 2015/16 is as follows:

Details	Gross Rental Value (inc. Minimum)	Rate in \$	Estimated Rate Revenue				
			Minimum Rates		Non Minimum Rates		Total
			No of Prop	Revenue	No of Prop	Revenue	
Rates	(\$)	(cents)		(\$)		(\$)	(\$)
Commercial	416,953,184	5.0032	550	376,750	1,937	20,454,351	20,831,101
Office	1,486,761,541	2.9079	198	135,630	2,173	43,190,275	43,325,905
Residential	328,193,967	4.4107	871	596,635	10,725	13,973,563	14,570,198
Vacant Land	21,460,150	5.8157	2	1,370	81	1,261,120	1,262,490
Total Rates			1,621	1,110,385	14,916	78,879,309	79,989,694

A “Differential Rate Review” was conducted in 2015 and made the following recommendations for setting of the City’s differential rates into the future:

- The Office category is the largest contributing sector to rates, yet falls below the cost of services provided to it by the City; this is after including the net contribution from parking. The Rate in the Dollar for Office is the only category not previously adjusted to reduce the funding shortfall. Scope therefore exists for higher increases in the Rate in the Dollar of the Office sector relative to other categories.
- In order to achieve a closer alignment with the other categories, a higher increase in the Rate in a Dollar for Office should be pursued in future years.
- Apply a higher increase to Residential Rate in a Dollar but still maintain it lower than other metropolitan Councils.
- Maintain maximum Rate in a Dollar for Vacant land.
- To progressively increase the general minimum rate.

The winding down of the resources boom has resulted in higher than anticipated office vacancy rates. Perth’s CBD vacancy rate is estimated to be close to 20% as at the end of January 2016, reaching a 21-year high. It is expected that at the next triennial revaluation due in 2017/18, Office’s GRV values will be significantly lower.

The City of Perth’s Rate in a Dollar values for Residential ratepayers compares favourably with all neighbouring Councils. Residential rates have historically been kept low to attract residents to the City. In the 2015/16 budget, residential rates were increased by 4.52% which compares to the average increase of 3.2% to address this imbalance. The residential property market has seen reductions in property prices and rental values over the last 12 months.

The Commercial category accounts for 6.5% and Hotel for 7.1% of the overall ratebase. Changes made to the Rate in the Dollar for these categories will have a minimal impact on overall rates raised for the City.

The City has traditionally restricted average rate increases to CPI. Exception has been made in recent years when modest increases above CPI were utilised to fund an intensive capital works program. Increase in the demands for the City's services is anticipated as major developments in a number of areas come to fruition. According to the Australian Bureau of Statistics, the CPI for Perth for December year was 1.6%.

The strategic Long Term Financial Plan for 2014/15 to 2024/24 flagged the need to continue with moderate increases above the predicted CPI increases. Accordingly the average rate in the dollar was increased in previous years by CPI and an additional 2.0%. The current long term financial plan shows a proposed 1.5% increase to reduce over future years to the level of CPI only.

Consider the level of Minimum Rate

Section 6.35(6)(c) of the *Local Government Act 1995* gives local governments the power to raise a minimum payment in each differential rating category where a differential general rate is imposed.

Traditionally the Council has employed a general minimum rate for all categories and currently has a minimum rate of \$685, which is the lowest in the metropolitan area. Minimum ratepayers have access to the same services as other ratepayers, even though their GRV's are lower. It is justifiable for them to pay a minimum rate to cover basic services.

The Act provides for consideration to be given to set or vary the minimum rates in conjunction to the relative movement in GRV's for each category. Foreshadowed in the Long Term Financial Plan is the intention to gradually increase the minimum payments to levels aligned closer to those of neighbouring councils.

Minimum Rate Comparison

2015/16 MINIMUM RATE COMPARISONS		
COUNCIL	MINIMUM RATE - RESIDENTIAL	MINIMUM RATE - COMMERCIAL
ARMADALE	\$1,084	\$1,262
BAYSWATER	\$795	\$795
BELMONT	\$790	\$930
COCKBURN	\$1,250	\$722
FREMANTLE	\$1,222	\$1,222
JOONDALUP	\$828	\$846
MANDURAH	\$1,016	\$1,022
NEDLANDS	\$1,333	\$1,820
PERTH	\$685	\$685
ROCKINGHAM	\$1,043	\$1,043
STIRLING	\$805	\$805
SUBIACO	\$780	\$780
SWAN	\$845	\$1,340
VICTORIA PARK	\$1,112	\$1,156
VINCENT	\$907	\$1,414

CONCLUSION:

Based on the factors highlighted in this report, the recommendations for adopting Differential Rates for 2016/17 are as follows:

- The Office category is the largest contributing sector to rates yet falls below the cost of services provided to it by the City; this is after including the net contribution from parking. It should also be noted that the allocation of parking contribution to the Office category is substantial, which, when revenue from parking fluctuates, has a significant effect in offsetting the funding shortfall.
- In the current economic conditions, an increase of CPI of 1.6% in the Rate in the Dollar for the Office category is proposed. In future years' strategies should be undertaken to reduce the underrating in this category.
- Apply a 1.6% increase to the Residential Rate in a Dollar; in keeping with the strategy to have this category lower than other metropolitan Councils.
- Maintain maximum Rate in a Dollar for Vacant land to encourage development.
- Increase the general minimum rate by \$10 to \$695 for all categories.

FINANCIAL IMPLICATIONS:

The City requires a quantum of rates each year to fund a portion of the budget. The spread of rates amongst differential rate classes is an exercise undertaken to make up that total. Other rate considerations such as the level of minimum rates and the application of rate rebates are also incorporated into the total of rates needed.

The Long Term Financial Plan flagged the need to for a moderate increase above the predicted CPI. The plan foreshadowed an increase of 1.5% above CPI in 2016/17 and continue to increase above the level of inflation for the following 4 years. With the effect of the winding down of the resources boom, this additional increase is not advisable in the current climate and therefore it is recommended any rate increase be limited to the current inflation level.

The rates for 2016/17 as set out in this report allow for an increase of CPI of 1.6%.

In this report the estimated annual rates levy to be raised in 2016/17 is \$85.5 million including predicted interim growth of \$1.1 million during the year.

Information produced by this report will be available for consideration in preparing the four-year budget and an updated Long Term Financial Plan to be presented to Council in June.

ACCOUNT NO:
BUDGET ITEM: Rate Revenue
BUDGETED AMOUNT: \$ 85,498,189

All figures quoted in this report are exclusive of GST.

Under the *Local Government Act 1995*, the City is required to advertise the Differential Rates for 21 days prior to adopting of the Differential Rates.

ITEM NO: 16

RAILWAY STREET AND MARKET STREET SHARED PATH FUNDING REALLOCATION (FORMERLY ROE STREET AND RAILWAY STREET)

**FINANCE AND ADMINISTRATION (APPROVAL)
COMMITTEE
RECOMMENDATION:**

That Council:

- 1. notes that the Railway Street and Market Street Shared Path funding for 2015/16 is sourced from Department of Transport to the value of \$2.1 million inclusive of all consultant, contractor and other expenses incurred by the City;***
- 2. notes that based on the contracted construction cost and other cost incurred by the City, there will likely be surplus Department of Transport funds to the value of approximately \$300,000;***
- 3. notes that the Department of Transport has conditionally approved the City of Perth to spend the surplus funds on other appropriate transport improvements as long as expenditure is completed in this financial year, subject to Department of Transport final approval; and***
- 4. approves the reallocation of surplus funds to fund alternative Council approved capital projects.***

BACKGROUND:

FILE REFERENCE:	P1031268-3
REPORTING UNIT:	Transport
RESPONSIBLE DIRECTORATE:	Planning and Development
DATE:	2 May 2016
MAP / SCHEDULE:	Schedule 17 – Cycle Plan Strategic Network Confidential Schedule 18 – Memorandum of Understanding (distributed to Elected Members under separate cover)

The Committee recommendation to the Council for this report was resolved by the Finance and Administration Committee at its meeting held on 10 May 2016.

The Committee recommendation to the Council is the same as that recommended by the Officers.

The City of Perth Cycle Plan 2029 identified Railway Street and Roe Street between Thomas/Loftus Street and Fitzgerald Street as a key east west pedestrian and cyclist link. The strategic network sourced from the Cycle Plan 2029 is attached as Schedule 17 and classifies Railway/Roe Street as a regional route (shared path, high level of service for cyclists) on the periphery, leading into a city centre route towards the core. This plan was presented to Council for endorsement as part of the Cycle Plan 2029 on **9 October 2012**.

The City of Perth and Department of Transport (DoT) have a Memorandum of Understanding (MOU) (Confidential Schedule 18) which outlines the requirements for the design and construction of the identified shared path on Railway/Roe Street between Thomas/Loftus Street to the west and Fitzgerald Street to the east. Following the State Government announcement of the Charles Street bus bridge scheme, the scope of the City's shared path was revised to exclude Roe Street between Sutherland Street and Fitzgerald Street. This section is to be constructed by Main Roads WA.

The MOU specifies the timing and budget for the shared path design and construction, with funding sourced from the Perth Parking Fund (PPF). All costs incurred by the City of Perth for the shared path design and construction are reimbursed from the PPF up to 30 June 2016, when the MOU and associated funding expire.

Management of funds for the shared path was approved by Council on **19 May 2015** and the shared path concept design, including an additional shared path connection on Market Street, was approved by Council on **11 August 2015**.

LEGISLATION / STRATEGIC PLAN / POLICY:

Integrated Planning and Reporting Framework Implications

Strategic Community Plan

Council Four Year Priorities: Getting Around Perth
S3 Proactive planning for an integrated transport system, including light rail, that meets community needs and makes the sustainable choice the easy choice

DETAILS:

Detailed design and documentation for the shared path on Railway Street (between Thomas/Loftus Street and Sutherland Street) and also on Market Street was undertaken by the City. The design and documentation was released to contractors for quotation on 11 January 2016 through the City's Provision of Civil Construction Services Contract (Contract 071-11/12). Based on the selection of the preferred

contractor, it is likely that the allocated funding from DoT will be more than sufficient to construct the shared path this financial year.

In the event that the allocated funds from DoT PPF are not required in full for the shared path construction and associated costs, it is proposed that the additional funds are transferred from CW1796 to alternate capital or operational works. Correspondence with DoT has been undertaken with the aim of gaining approval for this reallocation. DoT has indicated that they are amenable to funds being spent on alternative projects but would require guarantee of the following:

- Any spending would not exceed the \$2.1 million (including Railway Street and Market Street construction).
- Alternate projects would need to be high quality priority cycling infrastructure that does not compromise safety and standards. That is, separated cycling infrastructure.

Several projects have been identified that meet these criteria and include, for example, a cycle project on Harvest Terrace. Subject to Council approval, written and signed confirmation would be sought from DoT prior to reallocated funds being used on alternate projects.

In the event that any funds are not required for the construction of the Railway Street and Market Street shared path, then the unspent budget will be forfeited to Department of Transport at the end of the 2015/16 financial year if not used on alternative budget items.

FINANCIAL IMPLICATIONS:

ACCOUNT NO:	CW1796
BUDGET ITEM:	Roe St shared path
BUDGET PAGE NUMBER:	2
BUDGETED AMOUNT:	\$2,100,000.00
AMOUNT SPENT TO DATE:	\$1,417,666.26
PROPOSED COST:	\$2,100,000.00
BALANCE:	\$ 682,333.74
ANNUAL MAINTENANCE:	\$ 20,000
ESTIMATED WHOLE OF LIFE COST:	\$ 200,250

All figures quoted in this report are exclusive of GST.

COMMENTS:

No alternative operational or capital works items would be purchased with such funds without the expressed permission of DoT.

OTHER REPORTS

ITEM NO: 17

STUDYPERTH OUTBOUND MISSION TO CHINA, 21-25 JUNE 2016 – LORD MAYOR ATTENDANCE AND PARTICIPATION

RECOMMENDATION:

(APPROVAL)

That Council approves the attendance and participation by the Lord Mayor in the StudyPerth outbound mission to China from 21 to 25 June 2016 at an estimated cost of \$4,400.

BACKGROUND:

FILE REFERENCE:

REPORTING OFFICER:

REPORTING UNIT:

RESPONSIBLE DIRECTORATE:

DATE:

MAP / SCHEDULE:

Steven McDougall, Economic Development Principal

Economic Development Unit

Economic Development and Activation

29 April 2016

Schedule 19 – Invitation letter from Nanjing Municipal People's Government – Foreign Affairs Office

Schedule 20 – Invitation letter from Mayor of Chengdu Municipality

This report is submitted direct to Council due to limited time being available to consider the matter.

At its meeting held on **21 July 2015**, Council resolved to enter into a three-year funding agreement to support StudyPerth (formerly Perth Education City) in promoting Perth as a destination of choice for international education and to encourage international students to study at Perth educational institutions.

StudyPerth is the peak industry body for Western Australian educational institutions, funded through the WA State Government through the Department of Educational Services (DES), the City of Perth and its member institutions.

Its purpose is the promotion of Western Australia as a world class study destination to international students. StudyPerth partners with Western Australian universities, schools and colleges to market the Western Australian education system internationally.

As part of these promotional activities, the Lord Mayor has been invited by StudyPerth to participate in an upcoming outbound mission to China in June 2016. The program involves visits to the City's sister cities of Nanjing and Chengdu.

The City has had a sister city relationship with the City of Nanjing since 1998 and entered into a Charter of Mutual Friendship with the City of Chengdu in 2010. This was elevated to a sister city relationship in 2012.

At their October 2014 meeting, the Council of Capital City Lord Mayors (CCCLM) considered the role capital cities play in the support and promotion of Australian capital cities as an attractive international education destination. CCCLM have developed a discussion paper and action plan that recommends for capital cities and their Lord Mayors to take a more active role in promoting international education and attracting students to Australia.

The purpose of the outbound mission is to promote Perth and local education institutions "in-market" and to officially launch the 2016 "Picture Yourself in Perth" (PYP) competitions. Recent evidence gathered by StudyPerth highlights Perth as being the cheapest Australian city to study in terms of accommodation costs for homestay and airport transfers, such messaging is important to promote "in market" to international students as it is counter to the common misconception that boom time prices are still the standard in Perth for education.

This initiative is viewed as relevant by these sister cities and their communities and is key to building long-lasting and robust relationships as well as facilitating business development, and destination branding focussed activities.

Additionally, the Mayor of the Chengdu Municipality has invited the Lord Mayor to participate in the Innovation Forum for Mayors on International Sister Cities of Chengdu on 24 June 2016 as part of the 2016 Global Innovation and Entrepreneurship Fair which will be held in Chengdu from the 23 until 27 June 2016, aligning with the timing of the StudyPerth outbound visit.

LEGISLATION / STRATEGIC PLAN / POLICY:

Integrated Planning and Reporting Framework Implications

Corporate Business Plan

Council Four Year Priorities: Perth as a Capital City
S6 Maintain a strong profile and reputation for Perth as a city that is attractive for investment

Policy

Policy No and Name: 10.3 – Elected Members – Interstate and Overseas Travel and Expenses
11.3 – Sister City Relationships

These education-based exchanges further support the City's *Economic Development Strategy 2010 – 2029* and the *International Engagement Strategy – Looking West*, which identify education as an area for growth and encourages the City to actively promote Perth as an 'education city' and a destination of choice for international students.

DETAILS:

Impact of International Education in Perth

International education is Australia's fourth largest export product and is of major economic benefit to the national and local economy. Capital cities have a unique role to play in the promotion and support of international education and in providing a welcoming and enjoyable environment and social experience for visiting students.

International students play an important part in promoting and sustaining tourism and economic growth for Western Australia. International students remain in Perth for up to three-to-four years during the course of their studies. Additionally, statistics and research show each international student attracts 2.53 visiting friends and relatives (VFR) from overseas and interstate. In 2015, this VFR market equated to approximately 113,350 visitors to WA, contributing \$632.7 million to the local economy.

Innovation and Diversification of the Economy

The City is also actively involved in supporting the growth and development of the local innovation and creative industry in recognition of the sectors value to the economy, job creation and role in assisting with the successful economic diversification of the city economy.

Innovation is also a key focus at the Federal, State and Local government level and is increasingly promoted and invested in by all industry sectors to realise cost savings and efficiencies in a low growth economic environment. China was WA's largest export market in 2015 (\$54.1 billion) and as such ensuring ongoing dialogue with China in regards to trends in innovation is a very important aspect of the existing sister city relationship with Chengdu.

StudyPerth Program

The Executive Director of StudyPerth has advised that the participation of the Lord Mayor in its international outbound missions provides great assistance in that her attendance boosts the profile of the visits and activities in-market. The position of Lord Mayor is highly respected in China, therefore her presence results in an increased local interest from media, commercial and bureaucratic stakeholders.

The StudyPerth program includes:

- an Awards Ceremony for Nanjing winners of the 4th Picture Yourself in Perth competition;
- a reunion of previous Nanjing-based PYP winners;
- launch of the 6th Picture Yourself in Perth competition in Chengdu;
- launch of a new StudyPerth Internship competition; and
- courtesy calls with the Mayors of Nanjing and Chengdu.

The courtesy calls with the Mayors of both Nanjing and Chengdu will assist in continuing the growth and development of the City's Sister City relations with each city. As these relationships are strongly rooted in communication and mutual cooperation, the opportunity to meet and discuss issues relating to each city as well as progress discussions regarding future initiatives and areas of collaboration as well as leveraged business and investment opportunities.

Summary – Picture Yourself in Perth competition

The PYP program involves a competition for high school students to win a trip to Perth.

To participate in the competition, high school students from the relevant sister city submit a postcard of themselves in .jpeg format superimposed on a Perth, Western Australian background using the 'Picture Yourself in Perth' kit supplied by StudyPerth.

Winning students are awarded with the following:

- an award ceremony in their home city;
- return economy airfare (Nanjing/Chengdu to Perth);
- a courtesy visit with the Lord Mayor at Council House including representation from key education providers in Perth;
- a 5-day ELICOS study (English language study) at a Perth institution;
- a 10-day homestay with a Perth family; and
- visits to Perth tourist attractions.

Perth, and the City, will receive extensive promotion throughout the competition, via branding and promotional material included in the PYP competition entrance kit and the associated marketing related to the competition through press and digital campaigns.

2016 Chengdu Innovation and Entrepreneurship Fair

The Innovation Fair, now in its second year, is being organised by the Chengdu Municipal People's Government and is sponsored by several Chinese Government departments including the Ministries of Education, Science and Technology, and Industry and Information Technology, as well as the Sichuan Provincial People's Government.

The Chengdu Municipal Government have specifically invited the Lord Mayor to attend the Innovation Forum for Mayors of International Sister Cities of Chengdu and associated events on 24 June 2016.

This event will include civic leaders from approximately 20 of Chengdu's international sister cities, with accompanying delegations comprising of representatives of industry, government, universities and research institutions, coming together to share their local experience, explore best practice and discuss potential collaborative initiatives. Local stakeholders such as representatives from Curtin University and the

Harry Perkins Institute for Medical Research have also been invited by Chengdu to attend and participate in the Innovation Forum and other aspects of the Fair.

FINANCIAL IMPLICATIONS:

ACCOUNT NO:	CL 43A08000
BUDGET ITEM:	Governance – Governance General – International Relations
BUDGET PAGE NUMBER:	6
BUDGETED AMOUNT:	\$467,518
AMOUNT SPENT TO DATE:	\$223,767
PROPOSED COST:	\$ 4,400
BALANCE:	\$219,367

All figures quoted in this report are exclusive of GST.

The estimated costs associated with attendance at this event include flights (\$3,500) and accommodation (\$900).

COMMENTS:

International education is Australia's fourth largest export product and is of major economic benefit to the national and local economy. The Lord Mayor's participation will enable the City and StudyPerth to promote Perth as a destination of choice for international education and encourage international students to study at Perth educational institutions. The visit also allows the City the opportunity to directly engage with its two Chinese sister cities Nanjing and Chengdu.

Participation in the 2016 Global Innovation and Entrepreneurship Fair complements the City's activities in the innovation sector and will facilitate future collaboration on innovation related initiatives with Chengdu and other cities.

Therefore, it is recommended that Council approve the Lord Mayor's participation in the StudyPerth outbound mission to China in June 2016.

CONFIDENTIAL ITEM NO: 18

CITY OF PERTH INTERNAL AUDIT PLAN 2016/17

**AUDIT AND RISK COMMITTEE (APPROVAL)
RECOMMENDATION:**

That Council approves the City of Perth Internal Audit Plan 2016/17 attached as Confidential Schedule 21.

BACKGROUND:

FILE REFERENCE: P102969-8
REPORTING UNIT: Internal Audit
RESPONSIBLE DIRECTORATE: Corporate Services Directorate
DATE: 15 April 2016
MAP / SCHEDULE: Confidential Schedule 21 – City of Perth Internal Audit Plan 2016/17 (distributed to Elected Members under separate cover)

The Committee recommendation to the Council for this report was resolved by the Audit and Risk Committee at its meeting held on 9 May 2016.

The Committee recommendation to the Council is the same as that recommended by the Officers.

In accordance with Section 5.23(2)(a) of the *Local Government Act 1995*, this Item and related Schedule are confidential and has been distributed to the Elected Members under separate cover.