



City of **Perth**

Agenda

Agenda Briefing Session

19 July 2022

Notice of Meeting

To the Lord Mayor and Councillors

The next Agenda Briefing Session will be held on Tuesday, 19 July 2022 in the Council Chamber, Level 9, 27 St Georges Terrace, Perth commencing at 5.00pm.

Michelle Reynolds

Chief Executive Officer

14 July 2022

Information

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 Governance team via governance@cityofperth.wa.gov.au.

Deputations

Deputations are heard at Agenda Briefing Sessions only and have a five minute time limit. To submit a deputation request, please complete the form available on the City's website www.perth.wa.gov.au/council/council-meetings.

Disclaimer

Members of the public should note that in any discussion during a meeting regarding any item, a statement or indication of approval by any council member, committee member or officer of the City is not intended to be, and should not be taken as, notice of approval from the City. No action should be taken on any item discussed at a meeting of a Committee prior to written advice on the Committee or Council's resolution being received.

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Nil.

| | |
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1. Declaration of Opening

2. Acknowledgement of Country/Prayer

3. Attendance

3.1 Apologies

3.2 Leave of Absence

3.3 Applications for Leave of Absence

This item will be dealt with at the Ordinary Council Meeting.

4. Announcements by the Lord Mayor

5. Public Participation

5.1 Public Questions

This item will be dealt with at the Ordinary Council Meeting.

5.2 Deputations

6. Disclosures of Interests

7. Confirmation of Minutes

This item will be dealt with at the Ordinary Council Meeting.

8. Questions by Members which due Notice has been Given

This item will be dealt with at the Ordinary Council Meeting.

9. Correspondence

This item will be dealt with at the Ordinary Council Meeting.

10. Petitions



This item will be dealt with at the Ordinary Council Meeting.

11. Planning and Economic Development Alliance Reports

Nil.

12. Community Development Alliance Reports

12.1 Events Sponsorship 2022/23 (Round 1)

| | |
|----------------------------|--|
| Responsible Officer | Kylie Johnson – General Manager Community Development |
| Voting Requirements | Simple Majority |
| Attachments | Attachment 12.1A – Summary and Recommendation Rationale – Event Sponsorship Round 1 2022/23  Attachment 12.1B – Indicative Events Calendar June 2022 to March 2023  |

Purpose

To provide recommendations to Council, under Round 1 of the Event Sponsorship Program Financial Year 2022/23.

Recommendation

That Council:

1. APPROVES the following Event Sponsorships totalling \$495,500.00 excluding GST:

| Ref | Applicant / Project | Recommendation Total Amount (ex GST cash contribution) |
|-----|--|---|
| a | Nalomian Pty Ltd for Perth Leisure Lifestyle Show | \$135,000 for one year |
| b | Seven Network Operations Limited for Christmas Pageant | \$120,000 for one year |
| d | The Chung Wah Association Inc. for Perth Chinese New Year Fair 2023 | \$80,000 for one year |
| e | Perth International Jazz Festival Inc. for 2022 Perth International Jazz Festival | \$50,000 for one year |
| f | Go Sports and Events Ltd for 23rd Golden Oldies World Rugby Festival | \$40,000 for one year |
| g | UniSport Australia for 2022 UniSport Nationals Perth | \$30,000 for one year |
| h | True North Church for Carols in the City | \$20,500 for one year |
| i | CMS Events for City Wine Perth | \$20,000 for one year |

2. DECLINES the following Event Sponsorship 2022/23:

| Ref | Applicant / Project | Recommendation Total Amount (ex GST cash contribution) |
|-----|--|---|
| j | Blake Entertainment Pty Ltd for Rolling Thunder Vietnam | Decline |

Background

1. The City has a vision for Perth to be 'the events heart of WA' (2025 Events Strategy). A key principle of this strategy is 'something for everyone.' The City will facilitate and support a diverse range of events that are inclusive, appeal to a broad demographic and provide enriching experiences for all throughout the year. To demonstrate this approach, an Indicative Events Calendar for June 2022 to March 2023 is contained within Attachment 12.1B.
2. The City of Perth accepted applications for Round 1 of the Events Sponsorship 2022/23 program from 1 to 29 April 2022. The City received 10 applications in total, one of which opted to withdraw the application prior to it progressing to assessment.
3. The funding level recommended is based on the scale, impact and significance of the event. The Event Sponsorship program guidelines stipulate the City can provide a maximum contribution of 30% to the total project cost.

Discussion

4. A three-person panel, consisting of management and officers from the City's Corporate Communications Alliance and Community Development Alliance, assessed 10 applications. Additionally, the General Manager Community Development had an oversight role.
5. The assessment criterium is aligned to the key priority outcomes; visitation, vibrancy, engaging a diverse community, sustainability and economic growth and provides clear descriptions and a rating scale to guide the assessors when considering an appropriate score. The scores from panel members for each assessment criteria are averaged and ranked from highest to lowest.
6. Of the 10 applications, eight are recommended to be approved, one to be declined and one has been postponed to August following submission of a variation request on 13 July 2022. More detail can be found in Attachment 12.1A: Summary and Recommendation Rationale – Event Sponsorship Round 1 2022/23.
7. Where applicable, in-kind support is considered to have a value equal to cash, and the recommended total amount is inclusive of cash only to ensure that the applicant receives the full value, limiting the impact of in-kind estimates that can be subject to change.

Consultation

Nil.

Decision Implications

8. It is generally not possible to support every application or the total request for each applicant, due to budget constraints, lack of alignment with the City's strategic priorities and/or inadequate applications. This may result in unavoidable dissatisfaction from some applicants.
9. A City representative will negotiate an agreement with applicant in line with sponsorship funding amounts once approved by Council. The applicant will be required to provide significant benefits in recognition of the City's support.

10. The applicant will be required to submit an acquittal report within three months of event completion. Acquittal reports must demonstrate how the City's sponsorship funding supported projects or initiatives within the City's district and demonstrate direct impact on the City of Perth meeting its aspirations of Liveable, Sustainable and Prosperous.

Strategic, Legislative and Policy Implications

| Strategy | |
|--|--|
| Strategic Pillar (Objective) | Liveable |
| Related Documents (Issue Specific Strategies and Plans): | 2025 Events Strategy Event Sponsorship 2022/23 Program Guidelines |

| Legislation, Delegation of Authority and Policy | |
|---|---|
| Legislation: | Regulation 12 of the Local Government (Financial Management) Regulations 1996 – payments from municipal fund or trust fund, restrictions on. |
| Authority of Council/CEO: | Council Policy 4.3 directs that any sponsorship application for more than \$15,000 or from a funding round be considered by Council |
| Policy: | Policy 4.3 Sponsorship and Grants - the policy directs that there be a consistent and transparent assessment process and criteria to guide recommendations to Council. An eligibility check has been conducted on all applications to ensure they are compliant with the Policy and the necessary assessment process has been followed. |

Financial Implications


11. The financial implications of the recommendations are accommodated within the existing budget.

| | | |
|----------------------|--------------------------------|-----------|
| Account Number | 1066 100 50 10078 7901 | Operating |
| Account Description | Event Sponsorship | |
| Total Budget | \$1,000,000 | |
| Budget – This report | \$495,500 | |
| Remaining Budget | \$504,500 | |
| Budget Impact | Accommodated in 2022/23 budget | |

Further Information

Nil.

12.2 Business Improvement Grant Program Financial Year 2022/23

| | |
|----------------------------|--|
| Responsible Officer | Kylie Johnson – General Manager Community Development |
| Voting Requirements | Simple Majority |
| Attachments | Attachment 12.2A – Summary of Applications - Business Improvement Grants 2022/23  |

Purpose

To provide recommendations to Council, under the Business Improvement Grant Program Financial Year 2022/23.

Recommendation

That Council:

1. APPROVES the following Business Improvement Grants totalling \$150,000 excluding GST:

| | | |
|---|--|---------------------|
| a | Gangemi's Fine Wines & Food Major refit from liquor to multi-use venue | \$20,000 (excl GST) |
| b | Hawaiian Vibrant Urban Parklet | \$20,000 (excl GST) |
| c | Pentanet Ltd Pentalounge Internet retail and experience centre | \$20,000 (excl GST) |
| d | Corporate Equity Pty Ltd New Lighting and CCTV Cameras | \$7,800 (excl GST) |
| e | The Rechabite New façade and lighting works and alfresco street interface | \$20,000 (excl GST) |
| f | Criterion Hotel Perth Freshen up building exterior of Criterion Hotel Perth | \$9,250 (excl GST) |
| g | Grab N Go 171 Grab N Go 171 Facade and Awning enhancement | \$20,000 (excl GST) |
| h | Mr Andy Freeman Pirate Life Murray Street Parklet / Alfresco | \$20,000 (excl GST) |
| i | Comedy Lounge PTY LTD Lighting and laneway upgrade | \$12,950 (excl GST) |

2. DECLINES the following Business Improvement Grants totalling \$259,083.37 excluding GST:

| | | |
|---|--|------------------------|
| a | Amberjacks Elizabeth Quay Raised Alfresco Decking Area, with 7 commercial umbrellas and added weather cover | \$16,421.55 (excl GST) |
| b | RJ Pearce Signage, awnings, banners, window display | \$20,000 (excl GST) |
| c | Irwin St Lower Pty Ltd Goody Two's Business Improvement | \$17,000 (excl GST) |
| d | O'Hanlons (WA) Pty Ltd Courtyard Revitalisation | \$20,000 (excl GST) |
| e | Game City Espresso Bar Interactive Projection | \$8,200 (excl GST) |
| f | HR Operations Pty Ltd / The Hyatt Plain Street Bar | \$20,000 (excl GST) |
| g | Escape This Pty Ltd Escape This Lake Street venue security & underutilised space improvements | \$18,855.45 (excl GST) |
| h | Camera Electronic Shop Improvements for Client Experience Shop 2 & 3, 324 Murray St Perth | \$20,000 (excl GST) |
| i | Godwulf Pty Ltd Front Facade improvement | \$6,572.50 (excl GST) |

| | | |
|---|--|------------------------|
| j | The Heritage Wine Bar Heritage Alfresco | \$20,000 (excl GST) |
| k | Toni and Guy Perth Update Shop front and install a tv/sign on the inside of the window facing out to make an impact. Remove and replace vandalised graffiti screen. | \$8,000 (excl GST) |
| l | Portacom Pty Ltd Portacom Building Retail Refurbishment | \$19,862.07 (excl GST) |
| m | SVK WA Pty Ltd Bi Fold Doors | \$14,143.80 (excl GST) |
| n | Salvarinas Estate of Daphne & J Salvarinas & the Trustee for Estate of Vassilios Car park make over | \$20,000 (excl GST) |
| o | Loi's Eastern Supermarket Pty Ltd Lion Oriental Facade Signage Renovation | \$10,028 (excl GST) |
| p | MBFT & Lancaster Property Exterior building upgrade | \$20,000 (excl GST) |

Background

1. The City of Perth (the City) recognises that businesses and business activity contribute to the vibrancy and energy of the city. The ability to generate new ideas and turn those ideas in to profitable business ventures is critical to driving Perth's COVID-19 rebound, competitive advantage and economic growth.
2. The Business Improvement Grant Program for 2022/23 aims to stimulate and encourage diverse inner-city commerce by supporting new and established local businesses to improve precinct amenity, stimulate business activity and provide direct benefits to the community.
3. The City holds one funding round per year for the Business Improvement Grant Program with all approved projects required to be completed, acquitted and claimed before 30 June 2023.
4. The City accepted applications for Business Improvement Grants during an eight-week period from 1 April to 30 May 2022 and received 26 applications in total with 25 progressing to assessment and one deemed ineligible.
5. The Business Improvement Grant Program provides match grant funding of up to \$20,000. The maximum contribution the City can provide is 50% of the project cost (within the \$20,000 funding limit), with the other 50% contributed by the applicant.
6. All applicants must meet the general eligibility requirements of the Council Policy 4.3 - Sponsorship and Grants as well as additional criterion specific to this program, which includes demonstrating investment in the city. Examples include owning a property or having a property lease.
7. The application must also clearly outline the extent to which the project or initiative meet the following assessment criteria:
 - a. The project creates a new product or experience within the City which contributes to the overall improvement of its location.
 - b. The project contributes to the success and growth of existing or new businesses within identified key sectors.
 - c. demonstrates strong market potential through realistic planning and budgeting; and
 - d. will be completed within the timeframe required to acquit grant funding (this can be assessed by including evidence of engagement with statutory planning and building approval processes within the overall schedule of works).
8. Grant funding is paid upon completion of the project as a reimbursement of expenditure. Applicants must provide proof of expenditure through dated invoices and tax receipts, promote the City's support of the project, and provide before and after photographs and detailed testimonials.

Discussion

9. 25 applications were assessed by a three-person assessment panel, consisting of suitability qualified staff from the City's administration across the Planning and Economic Development Alliance.
10. In addition to the three-person assessment panel, the General Manager Planning and Economic Development had an oversight role.
11. The recommendations are carefully considered with the view of maintaining the integrity of the proposals. The City regularly receives more funding applications than the available budget can accommodate. Therefore, successful applications are those that best satisfy the assessment criteria.

12. Each assessment criterium has clear descriptions and a rating scale which guides the assessors when considering an appropriate score. The scores from panel members for each assessment criteria are averaged and ranked from highest to lowest.
13. The Business Improvement Grants round was highly competitive, due to the quality and quantity of the applications. The assessment panel agreed a minimum score threshold of 70% would be appropriate to demonstrate good alignment with the objectives of the program. Applicants scoring below the threshold are recommended for decline.
14. Comedy Lounge Pty Ltd (ref 1i) scored 70% for their lighting and laneway project which was the agreed minimum score for approval. The applicant requested \$20,000 however are recommended to be awarded \$12,950, which is the total remaining budget after allocations for higher scoring applications.
15. Of the 25 applications assessed, nine applications are recommended to be approved and 16 recommended to be declined. More information can be found in Attachment 12.2A – Summary of Applications - Business Improvement Grants.

Consultation

Nil.

Decision Implications

16. It is generally not possible to support every application of the total request for each applicant, due to budget constraints, lack of alignment with the City's strategic priorities and/or poor-quality applications. This may result in unavoidable dissatisfaction from some applicants.

Strategic, Legislative and Policy Implications

| Strategy | |
|--|---|
| Strategic Pillar (Objective) | Prosperous |
| Related Documents (Issue Specific Strategies and Plans): | 2022-23 Business Improvement Grant Guidelines |

| Legislation, Delegation of Authority and Policy | |
|---|--|
| Legislation: | Section 8(1)(g) of the <i>City of Perth Act 2016</i> This section of the Act directs that the City should invest in activities that increase vibrancy, sustainability and innovation; in the case of the Business Improvement Grants, this is through economic means. |
| Authority of Council/CEO: | Council Policy 4.3 directs that any sponsorship application for more than \$15,000 or from a funding round be considered by Council. |
| Policy: | 4.3 Sponsorship and Grants - the policy directs that there be a consistent and transparent assessment process and criteria to guide recommendations to Council. An eligibility check has been conducted on all applications to ensure they are compliant with the Policy and the necessary assessment process has been followed. |

Financial Implications


17. The financial implications of the recommendations are accommodated within the existing budget:

| | | |
|----------------------|--------------------------------|-----------|
| Account Number | 1066-100-50-10091-7901 | Operating |
| Account Description | Business Improvement Grants | |
| Total Budget | \$150,000 | |
| Budget – This report | \$150,000 | |
| Remaining Budget | \$0 | |
| Budget Impact | Accommodated in 2022/23 budget | |

Further Information

Nil.

12.3 Homelessness Action Plan 2022 - 2024

| | |
|---------------------|---|
| Responsible Officer | Kylie Johnson – General Manager Community Development |
| Voting Requirements | Simple Majority |
| Attachments | Attachment 12.3A – Proposed Homelessness Action Plan 2022 - 2024  |

Purpose

For Council to consider the Homelessness Action Plan 2022 – 2024.

Recommendation

That Council ENDORSES the Homelessness Action Plan 2022 – 2024.

Background

1. At its May 2022 Ordinary Meeting, Council resolved as follows:

That Council:

1. NOTES the outcomes achieved under the City's Rough Sleeper Plan May 2021–May 2022.
2. CONCLUDES the Rough Sleeper Plan May 2021–May 2022.
3. REQUESTS the Chief Executive Officer to undertake, in consultation with Elected Members, an updated action plan for delivering on the City's homelessness agenda for the **FY 23/24**.
4. REQUESTS this new plan has tangible actions which aligns to the City's endorsed Sustainability Strategy - theme objective 6.3 "A Safe & Healthy City".
5. DEVELOPS a budget for delivering on the plan for consideration in the 2022/23 mid-year budget review.

Discussion

2. The proposed Homelessness Action Plan 2022 – 2024 (the Plan) as Attachment A has been developed in response to Council's request for an updated action plan in the 2023/24 financial year, rather than leave a gap following Council close out of the 2021 – 2022 Rough Sleeper Plan.
3. The Plan identifies current actions funded within the 2022/23 budget, and potential actions for consideration in the 2023/24 Plan.
4. The Plan provides clarity to stakeholders of the City's position in relation to homelessness and informs the necessary financial investigations for the City's 2022/23 mid-year budget submission.

Consultation

5. Service providers from the Moore Street Accredited site provided feedback on the site. This feedback was incorporated into the Homelessness Action Plan 2022 -2024.
6. Elected members provided feedback on the proposed Plan at an Elected Member Engagement Session on 5 July 2022.

Decision Implications

7. In response to Council's decision, it is considered critical there is continuity between the Rough Sleeper Plan 2021/22 and the proposed Plan for 2023/24.

Strategic, Legislative and Policy Implications

| Strategy | |
|--|---|
| Strategic Pillar (Objective) | Liveable |
| Related Documents (Issue Specific Strategies and Plans): | <ul style="list-style-type: none"> Strategy Community Plan 2022 – 2032 (Objective L1.1: The city is a safe place for all to live, work, study and play. Objective G2.2: The City collaborates effectively with key partners) |

| | |
|--|---|
| | <ul style="list-style-type: none"> • Sustainability Strategy 2022 – 2032 (Initiative 6.3: ‘Support the transition towards reducing homelessness in the community’) • Rough Sleeper Plan 2021 – 2022 (preceding plan to the proposed Homelessness Action Plan 2022 - 2024) |
|--|---|

| Legislation, Delegation of Authority and Policy | |
|---|--|
| Legislation: | Section 1.3(3) of the <i>Local Government Act 1995</i> prescribes that in carrying out its functions a local government is to use its best endeavours to meet the needs of current and future generations through an integration of environmental protection, social advancement and economic prosperity.” |
| Authority of Council/CEO: | In accordance with Section 2.7 of the <i>Local Government Act 1995</i> Council is responsible for overseeing the allocation of the City’s finances and resources; and determination of Council policies. |
| Policy: | Nil. |

Financial Implications

8. The financial implications of the recommendation is accommodated within the existing budget.

| | | |
|----------------------|---------------------------------------|-----------------------|
| Account Number | 1057 | Operating Expenditure |
| Account Description | Homelessness Response Program | |
| Total Budget | \$ 2,332,035 | |
| Budget – This report | \$ 2,332,035 | |
| Remaining Budget | Accommodated in the 2022/2023 budget. | |
| Budget Impact | \$ 2,332,035 | |

Further Information

Nil.

12.4 2022 Christmas Lights Trail - Naming Rights Sponsorship

| | |
|---------------------|---|
| Responsible Officer | Kylie Johnson – General Manager Community Development |
| Voting Requirements | Simple Majority |
| Attachments | Nil. |

Purpose

To approve a naming rights sponsor for the 2022 Christmas Lights Trail.

Recommendation

That Council APPROVES Rio Tinto's application for naming rights sponsorship of the 2022 Christmas Lights Trail to the value of \$250,000.

Background

1. At its meeting held 25 May 2021, Council adopted the City's first Events Strategy which outlines the new direction and approach for the City to achieve its vision for Perth to be 'the events heart of WA'.
2. At its meeting held 29 March 2022, Council endorsed the Events Plan 2022/23 (the Plan). The Plan outlines the critical requirement to obtain sponsorship, grants and co-funding partnerships from government and corporate sectors, with an incoming sponsorship target of \$1,000,000 set for the 2022/2023 financial year.
3. The Christmas Lights Trail has cemented its place as the City's Signature Event. Delivering significant economic impact and consistently high visitation numbers, this event is the priority focus for incoming sponsorship and grant opportunities in 2022/23.

Discussion

4. For the first time, the City is offering a naming rights sponsorship opportunity for the 2022 Christmas Lights Trail. A prospectus outlining the opportunity and benefits was advertised on the City's website on 17 May 2022.
5. One application to sponsor the 2022 Christmas Lights Trail in exchange for naming rights was received by Rio Tinto Limited (Rio Tinto) on 28 June 2022.
6. Rio Tinto have offered the City \$250,000 in cash sponsorship in exchange for partnership benefits to be provided by the City as outlined in the prospectus including signage, print and digital marketing, and engagement opportunities for Rio Tinto employees.
7. In addition to the naming rights sponsorship, the City is also seeking additional sponsorship and grants for the 2022 Christmas Lights Trail from Lotterywest, Department of Local Government, Sport and Cultural Industries and other organisations.
8. The Events Plan 2022-23 projected Christmas Lights Trail incoming sponsorship to the value of \$500,000, inclusive of \$250,000 for naming rights. This is an increase from the incoming sponsorship for the Christmas Lights Trail last year of \$323,000.

Consultation

9. A prospectus was advertised through the City of Perth website and also distributed to key contacts from previous sponsorship discussions.

Decision Implications

10. If Council supports the recommendation to accept naming rights sponsorship from Rio Tinto, the City will enter into a funding agreement which will be negotiated by the CEO as appropriate. This will include all City communications/marketing referring to the event as the 'Rio Tinto Christmas Lights Trail'.
11. If Council does not support the recommendation, the City will be limited in its ability to achieve the objectives in the 2025 Events Strategy and incoming sponsorship targets in the Events Plan 2022/23.

Strategic, Legislative and Policy Implications

| Strategy | |
|--|---|
| Strategic Pillar (Objective) | Prosperous |
| Related Documents (Issue Specific Strategies and Plans): | 2025 Events Strategy Events Plan 2022/23 |

| Legislation, Delegation of Authority and Policy | |
|---|---|
| Legislation: | Nil. |
| Authority of Council/CEO: | Policy 4.3 directs that Council is the decision maker on applications to sponsor the City where the amount of sponsorship to be received is more than \$50,000. |
| Policy: | Policy 4.3 Sponsorship and Grants - the City may seek sponsorship from other organisations of its activities, events and projects. |

Financial Implications

12. The financial implication of the recommendation is accommodated within the 2022/23 budget:


| | | |
|----------------------|------------------------|-----------|
| Account Number | 1065 100 50 10365 | Operating |
| Account Description | Christmas Lights Trail | |
| Total Budget | \$1,500,000 | |
| Budget – This report | \$250,000 | |
| Remaining Budget | \$0 | |
| Budget Impact | Neutral | |

Further Information

Nil.

13. Commercial Services Alliance Reports

13.1 Property Portfolio - Annual Review of Classifications

| | |
|---------------------|---|
| Responsible Officer | Steve Holden – General Manager Commercial Services |
| Voting Requirements | Simple Majority |
| Attachments | Attachment 13.1A – FY22/23 Property Classifications  |

Purpose

To seek Council's approval of the review classifications for the City of Perth property portfolio, per Council Policy 2.7.

Recommendation

That Council APPROVES the review classifications for the City of Perth property portfolio as detailed in Attachment 13.1A.

Background

1. 1. The objective of Council Policy 2.7 Property Performance, Investment and Disposal (the Policy) is to provide a framework to:
 - a. Maximise the performance of the City's Property Portfolio and ensure that the investment and disposal of property:
 - i. Is consistent, transparent and compliant;
 - ii. Makes best use of the City's Property Portfolio; and
 - iii. Leverages the City's Property Portfolio in pursuit of the community's aspirations as contained within the Strategic Community Plan.
 - b. Support the City in maintaining an investment property portfolio that is resilient to changes in market conditions and generates diversified revenue to ensure the long term interest of the community.
 - c. Ensure that the investment and disposal of property is undertaken in an open market format to ensure due probity of process and optimal financial return within an acceptable level of risk.
2. For purposes of guiding implementation of the Policy and decision making around acquisitions and disposals (including leasing) with respect to each such property, the Policy stipulates that each property in City's Property Portfolio will be assigned a classification by the Council based on:
 - a. performance;
 - b. strategic and emerging issues; and
 - c. changes in the economy, community expectation and/or consumer demand.
3. The current categories of classification (subject to recommendations to be determined by an independent Valuer and provided to Council for consideration and approval in June each year) are as follows:
 - a. *Income Generating*: A Property or portion of a Property that is held for the purpose of generating income
 - b. *Strategic Holding*: A Property that is held for future development or the achievement of strategic aspirations
 - c. *Community Purpose*: A Property or portion of a Property that is held for community benefit or civic purposes.
4. Prior to the completion of the new Area Specific Strategy for the City's property portfolio, the 2022/23 property classifications are to be collectively presented to Council. For operational reasons, a short list of properties are required to be classified in advance of completion of the Area Specific Strategy.
5. The Administration considers the current Policy to be deficient and intends to take the opportunity to review, refine and improve during the Policy's upcoming review, due to be considered by Council in November 2022. For example, the Policy currently requires an independent valuer to determine how best to use the City's property portfolio which could be better determined by Council.

Discussion

Council House

6. Level 3 Council House is currently un-occupied, surplus to administrative requirements and is currently being marketed for lease. Level 3 is 721sqm in size and available for an initial term of five years with the potential for further options dependent on tenant requirements. The property has been on the market since March 2022 and the City is now negotiating a formal Heads of Agreement with a prospective tenant.

Northbridge Piazza

7. In March 2022, the City called for expressions of interest (EOI) from local arts groups, businesses, and organisations to activate Northbridge Piazza. The City sought applications from organisations that were keen to activate the space with innovative ideas and an interesting program of events that will attract visitors as well as engage residents, the creative community and local businesses. Following completion of the EOI process, a formal Heads of Agreement and Service Level Agreement are now being negotiated with the preferred proponent.

Shop 16, 378 Wellington St

8. On 29 March 2022, Council resolved to close the Citiplace Child Care Centre on the 30 September 2022. Following this decision the property has been marketed for lease since early April and was marketed towards all relevant sectors and no specific focus was given to childcare. Following a closing date of the 11th July 2022, the City is now assessing the proposals received.

Citiplace Community Centre

9. The Citiplace Community Centre (the Centre) is a unique accessible central city facility provided by the City. The Centre provides services for the whole community with people with disabilities especially invited to use the facility.
10. Room 2a is a 27.30sqm room located on the first floor of the Centre. Up until recently the room was tenanted by a hairdresser, however following vacation by the tenant it is proposed that the room will once again be used for community purposes.
11. Following a request from WA Police, a Heads of Agreement has recently been agreed upon with WA Police for a six-month trial use of Room 2a as a “drop-in” centre that can be used by officers on the beat. This “drop-in” centre would be specifically used for the purpose of mid-shift rest and rehydration as well as light administrative tasks.

Consultation

Nil.

Decision Implications

12. If Council approves these property classifications, the City will progress each property transaction through to completion of legal formalities with each lease or licence being signed under the CEO's delegated authority.
13. If Council does not approve, each transaction will be required to be submitted to Council.

Strategic, Legislative and Policy Implications

| Strategy | |
|--|------------------------------------|
| Strategic Pillar (Objective) | Prosperous |
| Related Documents (Issue Specific Strategies and Plans): | Strategic Community Plan 2022-2032 |

| Legislation, Delegation of Authority and Policy | |
|---|--|
| Legislation: | Section 3.58 of the <i>Local Government Act 1995</i> |
| Authority of Council/CEO: | Policy 2.7 states that property classifications are to be assigned by Council. |
| Policy: | 2.7 Property Performance, Investment and Disposal |

Financial Implications







14. The leasing of Level 3 Council House and Shop 16 (Childcare Centre) Citiplace will generate commercial income for the City over the next 10 years.
15. The timing of income will be subject to completion of commercial negotiations, statutory advertising and completion of legal formalities.

Further Information

Nil.

14. Corporate Services Reports

14.1 Monthly Financial Statements - May 2022

| | |
|---------------------|---|
| Responsible Officer | Michael Kent – Chief Financial Officer |
| Voting Requirements | Simple Majority |
| Attachments | Attachment 14.1A – Financial Activity Statement and Notes to FAS P11  Attachment 14.1B – Net Current Position_P11  Attachment 14.1C – Operating Variance by Service Unit  Attachment 14.1D – Capital Variances P11  Attachment 14.1E – Investment Report - May 2022  Attachment 14.1F – Rates Collection P11  |

Purpose

This suite of reports provides Council with timely, meaningful financial insights regarding the City's operating activities, financial performance and financial position.

Recommendation

That Council RECEIVES the following financial reports for the period ended 31 May 2022:

1. Financial Activity Statement (FAS) and Notes to the FAS - Attachment 14.1A.
2. Net Current Position - Attachment 14.1B.
3. Operating Variances by Alliance & Service Unit - Attachment 14.1C.
4. Capital Projects Schedule - Attachment 14.1D.
5. Investment Report - Attachment 14.1E.
6. Statement of Rates Debtors - Attachment 14.1F.

Background

1. Presentation of a monthly financial report to Council is both a statutory obligation and good financial management practice that:
 - a. Demonstrates the City's commitment to managing its operations in a financially responsible and sustainable manner.
 - b. Provides timely identification of variances from budget expectations for revenues and expenditures and identification of emerging opportunities or changes in economic conditions.
 - c. Ensures proper accountability to the community for the use of financial resources.
2. Preparation of a monthly Financial Activity Statement (FAS) is the minimal statutory requirement of the *Local Government Act 1995* and regulation 34 of the *Local Government (Financial Management) Regulations 1996*. It is also a responsible financial management practice to allow Council to effectively execute their financial management responsibilities.
3. Financial information that is required to be reported directly to Council monthly includes:
 - a. Operational financial performance against budget expectations.
 - b. Explanations for identified variances from expectations.
 - c. Financial position of the City at each given month end.
4. This statutory financial information is supported by additional information including investments performance and reports on rates and general debtors.

Understanding the Financials

5. When reading the financial information provided in this report, 'variances' (deviations from budget expectations) are classified as being either:
 - a. Favourable variance.
 - b. Unfavourable variance.
 - c. Timing variance.
6. A timing variance relates to a budgeted revenue or expense that has not occurred at the time it was expected, but which is still expected to occur within the budget year. That is, the financial transaction will still occur - but just in a different month. There should be no impact on the projected budget surplus by year end.
7. A realised favourable or unfavourable variance is different to a timing variance. It represents a genuine difference between the actual and budgeted revenue or expenditure item.
8. A realised favourable year to date variance on a revenue item is a positive outcome for the City as it increases the projected budget surplus. An unfavourable variance on a revenue item has the opposite effect, resulting a decrease to the projected budget surplus.
9. A realised favourable variance on an expenditure item may have either of two causes - one being a saving because the outcome was achieved for a lesser cost, which has the effect of increasing the projected budget surplus. The other cause may be that the proposed expenditure may not have been undertaken and is not expected to be incurred in that financial year. Whilst this may seem positive from the financial position perspective, it may not be a positive outcome for the community if the service or project is not delivered.

10. A realised unfavourable year to date variance on an expenditure item, (over-expenditure) results in a decrease to the projected budget surplus.
11. The Schedule of Variances (Attachment 14.1A) provides commentary on whether the nature of the variance is savings related, timing related or otherwise.
12. If a realised favourable or unfavourable variance is material in value (of significant size), it will be amended through a formal budget review process.

Discussion

13. The FAS by Nature & Type - Attachment 14.1A presents a whole of organisation perspective on the attainment of revenue and expenditure targets overall - classified by nature and type.
14. The headline data from the FAS is shown in Table 1 below.

Table 1:

| Item Details | YTD Budget | YTD Actual | Variance | F/ U |
|-------------------------------------|--------------|--------------|--------------|------|
| Operating Revenue - Excluding Rates | \$ 91.134 M | \$ 89.216 M | \$ 1.918 M | U |
| Rates Revenue | \$ 97.849 M | \$ 97.861 M | \$ 11 K | F |
| Operating Expenditure | \$ 187.888 M | \$ 176.691 M | \$ 11.096 M | F |
| Non-Operating Revenue | \$ 10.090 M | \$ 8.703 M | (\$ 1.386 M) | U |
| Capital - Infrastructure | \$ 34.629 M | \$ 23.403 M | \$ 11.225 M | F |
| Property, Plant & Equipment | \$ 14.386 M | \$ 8.427 M | \$ 5.959 M | F |

15. Material operating revenue and expenditure variances from Attachment 14.1A are detailed (with explanatory comments) in the Notes to the FAS (also contained within Attachment 14.1A).
16. Comments on the material variances between budget and actual capital expenditures are presented in Attachment 14.1D - Capital Projects Schedule which lists all approved, budgeted capital projects for 2021/22.
17. Each line item listed in the FAS by Nature & Type Attachment 14.1A can be cross referenced (using the Note reference) back to the relevant note.
18. Attachment 14.1C provides an alternative view showing how the organisation is tracking against budget by Alliance - and then disaggregating those figures by Service. This reporting view includes all internal charges and internal recoveries so the full service-cost can be understood.
19. Examining the FAS (Attachment 14.1A) in more detail; the aggregation of operating revenues and operating expenses reflects a year-to-date Net Cash Deficit from Operations of (\$50.164M) compared to a year-to-date budget of (\$60.354M). This is a favourable variance of \$10.2M at the end of the month.
20. Investing activities reflect a result of (\$23.1M) compared to a year-to-date budget of (\$38.9M). This is a favourable variance of \$15.8M. This is largely attributable to a favourable timing variance on invoicing for construction of infrastructure at Roe Street, supply chain delays on materials for electrical lighting works and mall bollards and fleet items. Additionally access to suitable contractors and fabricators related to Covid impacts on suppliers' workforces has impacted project delivery.

21. Construction of infrastructure to 31 May 2022 is at 67.6% of year-to-date budget expectations at \$23.4M, against \$34.6M budget as noted at paragraph 14. Attachment 14.1D provides comments on specific variances for capital projects.
22. Acquisition of non-infrastructure to 31 May 2022 is \$8.4M and is 57.6% under the year-to-date budget. Readers are directed to Attachment 14.1D for comments on specific variances.
23. Adjusting for opening funds (Net Current Position), generates the Budget Deficiency before Rates. This then indicates the Amount Required to be Raised from Rates. The difference between the Rates amount, and the Deficiency before Rates is the Closing Position.
24. The FAS for the period to 31 May shows that a rate yield of \$97.9M has been levied compared to the \$97.9M budget at rates strike date. The budget was amended downwards at mid-year budget review because of the impact of the WACA concession (\$183K) and Heritage Concessions (\$232K) on the net rates yield which was also impacted by some negative adjustments via interim rates.
25. The disclosed year to date Closing Position of \$34.2M compares favourably to the year-to-date budgeted closing position of \$8.5M - a significant variance reflecting the combined impact of the favourable variances noted in this report for revenues, expenses, financing activity and investing activity. Most of this variance is due to the timing of cash outflows relating to capital projects as noted in this report at paragraphs 20 – 22.
26. The Net Current Position Report (Attachment 14.1B) indicates a year-to-date adjusted Net Current Position value of \$31.4M versus the budget of \$13.2M. This is primarily attributable to a favourable variance in cash from a timing difference in spending on capital works and a stronger than budgeted operating result.
27. Headline data from this month's Net Current Position report is shown in Table 2 below. Comparative figures are provided for 2021 as well as the 30 June 2021 year-end figures.

Table 2:

| Item Details | June 2021 | May 2021 | May 2022 |
|-------------------------------|----------------|----------------|---------------|
| Current Assets | \$ 179.657 M | \$ 188.686 M | \$ 196.810 M |
| Current Liabilities | (\$ 44.730 M) | (\$ 35.215 M) | (\$ 36.176 M) |
| Unadjusted Net Assets | \$ 134.927 M | \$ 153.471 M | \$ 160.634 M |
| Less Restricted Items | (\$ 102.872 M) | (\$ 102.865 M) | (\$129.200 M) |
| Adjusted Net Current Position | \$ 32.054 M | \$ 50.606 M | \$ 31.432 M |

28. The comparative numbers from the Net Current Position report for May 2021 and May 2022 reflect the impact of a higher value of restricted cash in 2021 than in 2022. This is due to prudently managing funds throughout the year and with the intention of reducing the much higher closing position in 2021 - which became the opening position for 2022.
29. Attachment 14.1E - Investment Report for May 2022 presents detail of the City's cash investment portfolio in terms of performance, percentage exposure of total portfolio by credit risk, counterparty exposure and maturity profile.
30. The report indicates the City has adequate cash flow to meet its financial obligations as and when they will fall due; and it has achieved compliance with the various Investment Policy limits.

31. Attachment 14.1F - Rates Debtors provides a monthly update and analysis of rates collections by differential property rating category and overall. It shows that the City has collected 98.1% of all collectible rates. It shows that collections are stronger than in previous years. It also contains some brief commentary regarding payment arrangements and financial hard-ship cases.

Consultation

Nil

Decision Implications

32. Council's acknowledgement of receiving the Financial Activity Statement and supporting documents will meet its statutory obligation in respect of overseeing the City's financial resources.

Strategic, Legislative and Policy Implications

| Strategy | |
|--|------------|
| Strategic Pillar (Objective) | Prosperous |
| Related Documents (Issue Specific Strategies and Plans): | Nil |

| Legislation, Delegation of Authority and Policy | |
|---|--|
| Legislation: | <p>Section 6.4(1) and (2) of the Local Government Act 1995 Regulation 34(1) of the Local Government (Financial Management) Regulations 1996</p> <p>This section of the Act and the related regulation prescribe the requirement to prepare and present to Council (monthly), FAS.</p> <p>That FAS should contain:</p> <ul style="list-style-type: none"> • Annual Budget estimates, and approved revisions to these for comparison purposes. • Actual amounts of income and expenditure to the end of the month of the FAS. • Material variances between the comparable amounts and commentary on reasons for these variances. • Net current assets at the end of the month. • An explanation of the composition of the net current assets at the end of the month to which the FAS relates. <p>Any other information which the local government deems relevant.</p> |
| Authority of Council/CEO: | The above legislation prescribes that this report be presented to Council on a monthly basis. |
| Policy: | CP 2.1 Management of Investments. |


Financial Implications

33. There are no direct financial implications of receiving this report as it reflects a historical accounting of financial transactions. When material variances are noted, appropriate remedial action will be initiated by the administration in a timely and prudent manner.

Further Information

Nil.

14.2 Schedule of Accounts Paid - May 2022

| | |
|---------------------|---|
| Responsible Officer | Michael Kent – Chief Financial Officer |
| Voting Requirements | Simple Majority |
| Attachments | Attachment 14.2A – Schedule of Accounts Paid - May 2022  |

Purpose

For Council to note details of payments made under delegated authority for the month of May 2022.

Recommendation

That Council:

1. RECEIVES the Schedule of Accounts Paid for the period ended 31 May 2022 as attached.
2. RECORDS in the Ordinary Council Meeting minutes the summary of accounts paid being:

| Total Accounts Paid | |
|---------------------|-----------------|
| Municipal Fund | \$16,321,143.99 |
| Trust Fund | \$0 |
| Total - All Funds | \$16,321,143.99 |

Background

1. In accordance with Regulation 13(2) and 13(3) of the *Local Government (Financial Management) Regulations 1996*, where this power has been delegated, a list of payments for each month is to be compiled and presented to the Council. The Chief Executive Officer is delegated this authority under Delegation 2.14.
2. This authority has then been subdelegated by the Chief Executive Officer.
3. The listing of payments with full disclosure of all required information, is presented as Attachment 14.2A.
4. The listing of payments was made available to the Elected Members via the Council Hub, ahead of the agenda distribution, to provide additional time for review.
5. This summary report then facilitates the acknowledgement of the listing having been received.

Discussion

6. The Schedule of Accounts Paid (Attachment 14.2A) contains the following payments made under Delegated Authority 2.14 - Payments from the Municipal & Trust Fund:

| Schedule of Accounts Paid - May 2022 | | |
|---|--------------------------------|----------------------|
| Municipal Fund | | |
| EFT & Cheque Payments | Direct Creditor Payments | 12,821,225.22 |
| Sub Total - EFT & Cheques | | 12,821,225.22 |
| Direct Debits | Bank Charges and Merchant Fees | 42,541.87 |
| Sub Total - Direct Debits | | 42,541.87 |
| Payroll | 06/05/2022 | 1,719,599.31 |
| | 20/05/2022 | 1,722,261.89 |
| Sub Total - Payroll | | 3,441,861.20 |
| Corporate Cards | | 15,515.70 |
| Sub Total - Cards | | 15,515.70 |
| Total per Attachment A | | 16,321,143.99 |
| | | |
| Total Payments from Municipal Fund | | |
| | | |
| New Investments | | 0 |
| | | |
| Trust Fund | | |
| Trust EFT & Cheques | | 0 |
| Total - Trust Funds | | |
| | | |

Consultation

7. As the contents of this report focus on the organisation's recent past financial performance, no external consultation is relevant to the preparation of this report.

Decision Implications

8. Council's acknowledgement of receiving the Schedule of Accounts Paid will meet its statutory obligation under Regulation 13(1) of the *Local Government (Financial Management) Regulations 1996*.

Strategic, Legislative and Policy Implications

| Strategy | |
|--|---------------|
| Strategic Pillar (Objective) | Prosperous |
| Related Documents (Issue Specific Strategies and Plans): | Annual Budget |

| Legislation, Delegation of Authority and Policy | |
|---|---|
| Legislation: | <p>Section 6.10 of the <i>Local Government Act 1995</i></p> <p>Regulation 13(1) of the <i>Local Government (Financial Management) Regulations 1996</i></p> <p>This section of the Act and the related regulation prescribes the requirement to prepare a list of all payments made for each month and to present them to Council. The Schedule of Accounts Paid (the 'list') should contain, for each payment:</p> <ul style="list-style-type: none"> • Payee Name • Amount of the Payment • Date of the Payment • Sufficient information to identify the transaction |
| Authority of Council/CEO: | In accordance with Regulation 13(2) and 13(3) of the <i>Local Government (Financial Management) Regulations 1996</i> , where this power has been delegated, a list of payments for each month is to be compiled and presented to the Council. |
| Policy: | Nil. |


Financial Implications

9. There are no direct financial implications of receiving this report as it reflects a historical accounting of financial transactions that were provided for in the adopted budget (as amended).

Further Information

Nil.

14.3 Corporate Business Plan 2022/23-2025/26

| | |
|---------------------|---|
| Responsible Officer | Melissa Murphy – General Manager Corporate Services |
| Voting Requirements | Absolute Majority |
| Attachments | Attachment 14.3A – Corporate Business Plan 2022/23 to 2025/26  |

Purpose

For Council to consider the Corporate Business Plan 2022/23-2025/26.

Recommendation

That Council ADOPTS the Corporate Business Plan 2022/23-2025/26 contained in Attachment 14.3A.

Background

1. Section 5.56(1) of the *Local Government Act 1995* (the Act) requires a local government to plan for the future of its district.
2. The *Local Government (Administration) Regulations 1996* (the Regulations) require a local government to prepare two documents to address s5.56(1):
 - a. A 10-year strategic community plan that identifies the vision, aspirations and objectives of the community in the district (reg 19C).
 - b. A four-year corporate business plan that sets out how the local government will respond to the vision, aspirations and objectives identified in the strategic community plan (reg 19DA).
3. A major review of the Strategic Community Plan (SCP) was undertaken in 2021/22. Council adopted the SCP 2022-32 at its Ordinary Meeting held 26 April 2022.
4. A Corporate Business Plan (CBP) must be reviewed annually (reg 19DA(4)). Council adopted the current CBP 2021/22 to 2024/25 at its meeting on 27 July 2021 and a review for the 2022/23 financial year has now been completed.

Discussion

5. The CBP has been reviewed to align with the strategic pillars – liveable, sustainable, prosperous and well-governed – and the eight goals that support these pillars, as articulated in the SCP 2022-32. The CBP also responds to community priorities, as documented in the Neighbourhood Place Plans.
6. The CBP guides business planning and operations by integrating various issue-specific plans, including asset management plans, the Workforce Plan and the Long-Term Financial Plan (reg 19DA(3)).
7. The revised CBP identifies core services for the next four years (2022/23 to 2025/26) and 15 focus areas and key deliverables for the 2022/23 financial year, which is consistent with the previous plan and aligned with the City’s comprehensive annual budget process.
8. The layout of the CBP has been revised and simplified. Core services and deliverables have been separated into distinct sections, rather than grouped by Alliance. Coloured ‘bubbles’ have been used to clearly identify alignment with the specific goals or objectives in the SCP.
9. If adopted by Council, progress against the focus areas and deliverables will be reported to Council following the end of each quarter.
10. The CBP is currently in draft format and is subject to graphic design, publication and related minor amendments.

Consultation

11. Community engagement was undertaken to develop the SCP 2022-32. The results of this engagement were considered in the review of the CBP, in addition to the annual budget process and the review of the Long-Term Financial Plan.

Decision Implications

12. If Council adopts the CBP the City will meet the requirements of the Act and the Regulations.
13. If Council does not adopt the CBP the City risks non-compliance with the Act and the Regulations.

Strategic, Legislative and Policy Implications

| Strategy | |
|--|--|
| Strategic Pillar (Objective) | A Well-Governed City |
| Related Documents (Issue Specific Strategies and Plans): | <p>The Strategic Community Plan 2022-32, which identifies the objectives and aspirations of the community to guide preparation of a Corporate Business Plan.</p> <p>Corporate Business Plan 2021/22 to 2024/25, which will be replaced by the Corporate Business Plan 2022/23-2025/26.</p> |

| Legislation, Delegation of Authority and Policy | |
|---|--|
| Legislation: | <p><i>Local Government Act 1995</i> s 5.56 requires a local government to plan for the future of the district.</p> <p><i>Local Government (Administration) Regulations 1996</i> reg 19DA requires a local government to prepare a Corporate Business Plan to set out its response to the Strategic Community Plan.</p> |
| Authority of Council/CEO: | <i>Local Government (Administration) Regulations 1996</i> reg 19DA(6) requires that a Corporate Business Plan be considered by the Council and adopted by absolute majority. |
| Policy: | Nil. |

Financial Implications

14. The financial implications of the Corporate Business Plan 2022/23-2025/26 are considered and set out in the Annual Budget 2022/23 and the Long-Term Financial Plan 2022/23 to 2031/32.

Further Information

Nil.

15. Chief Executive Officer Reports

Nil.

16. Committee Reports

Nil.

17. Motions of which Previous Notice has been Given

17.1 Notice of Motion - Lord Mayor - Acceleration of Residential Development

The following Notice of Motion was submitted in accordance with clause 4.12 of the *Standing Orders Local Law 2009*.

| | |
|------------------|--|
| Councillor | Lord Mayor Basil Zempilas |
| Date Received | 7 June 2022 |
| Motion | <p>That Council:</p> <ol style="list-style-type: none"> <u>REQUESTS</u> the Chief Executive Officer to prepare a report outlining: <ol style="list-style-type: none"> current barriers and disincentives to increased residential development and density in the city; and recommendations on initiatives and incentives to stimulate and accelerate residential development, which could be implemented by the city and others in the 2023/24 financial year. <u>REQUESTS</u> the City to engage with relevant industry bodies, State and Federal Government agencies and representatives from the residential development and property industry to seek their views and feedback on 1a. and b. above, to inform the City's recommendations. |
| Reasons Provided | <p>Residential population growth is at the cornerstone of building a liveable, sustainable, and prosperous City. More people living in the city will bring life to the city – improving its vibrancy and providing greater economic support for local businesses, especially at night and on weekends. More people living in the city will also help the city become more self-sustaining and resilient.</p> <p>The City can influence residential population growth through a number of mechanisms, including incentives for increased residential development in the Local Planning Scheme; statutory fee relief; investment in infrastructure (including social/community infrastructure); economic development and investment attraction strategies and activities; marketing and promotion; community building; and events and activation.</p> <p>However, more needs to be done and the City of Perth cannot do it all alone. Some of the most impactful incentives for residential development rely on State Government intervention and support. The development/property industry also has a valuable role to play.</p> <p>It is, therefore timely, as we emerge from the COVID slump that has been felt by capital cities nation-wide, that we renew efforts to position the city as the key destination for visitors, workers and investors and for people who want to live in a thriving, vibrant place with all necessary services, amenities and attractions on offer.</p> |

To grow the city as a truly liveable, sustainable and prosperous destination, a substantial increase in residential population base is essential. To achieve this, direct, multi-pronged intervention is needed. We need to tap into the residential development and property sectors to hear first-hand why they would or would not develop in the city; what the issues and impediments are that are holding some back; what would it take to convince them to redirect their attention and resources from other areas and to focus instead on the city.

Insights gained would help the city to plan and allocate resource to execute incentives and initiatives within its remit, and to advocate to the State Government for assistance with other specific, critical initiatives.

This Notice of Motion seeks to formally set the direct conversation with industry and the State Government in motion, and to identify tangible actions which would lead to the outcomes we need.

Administration Response to Notice of Motion

| | |
|---------------------|---|
| Responsible Officer | Dale Page – General Manager Planning and Economic Development |
| Voting Requirements | Simple Majority |
| Attachments | Nil. |

Discussion

1. Growth in the residential population of the City of Perth since 1991 has been relatively high, growing from 10,501 in 2001 to 30,971 in 2020. A growth rate of 49.16% in residential population was recorded in the ten years from 2010-2020, noting this is coming from a low base compared to other capital cities
2. The growth rate in recent years was accelerated by the impacts of COVID-19 to reach residential increases of 7.15% against a Local Government Authority (LGA) average of 1.3% in 2020. Since this time the residential growth rate has decreased to 0.83% but is still greater than the LGA average of 0.17% with the 2021 estimated residential population being 31,240.
3. The outcomes sought within this motion are consistent with a range of recent strategies and initiatives approved by the Council. This includes the recently approved Draft Local Planning Strategy which includes a residential growth target of 55,000 by 2036 and areas of residential densification in select neighbourhood areas which are eligible for residential and also special residential plot ratio bonuses.
4. The draft Local Planning Strategy certified by the Western Australian Planning Commission in January 2022 identifies maintaining the Bonus Plot Ratio incentive for residential growth. It is worth noting that the Strategy's target of 55,000 residents by 2036 contains specific targets per neighbourhood and is significantly higher than the State Government's minimum target of 53,320 residents by 2050.
5. A 20% bonus plot ratio incentive for residential development in the city core was included in the City Planning Scheme No. 2 in 2013. Since its introduction, 13 separate applications for Development Approval (DA) have been approved by the City or Local Development Assessment Panel requesting Bonus Plot Ratio for residential use. The City also currently supports a 20% bonus plot ratio for Special Residential which includes Student Accommodation which can also play a role in increasing the residential population of the City.
6. Eight of these DA's were in the Northbridge neighbourhood (centred around Stirling Street) and five in Central Perth. These bonuses currently do not apply in the West Perth or Crawley/Nedlands Neighbourhoods or within most of Claisebrook and East Perth. Of these developments approved, three have been built (between 2016 and 2017) delivering a total of 378 dwellings. Two of these developments were in the Stirling Precinct and one was in Northbridge. Many of the eligible proponents chose to reposition their developments without the residential component.
7. The approved Economic Development Strategy contains an initiative under the City Reimagined theme that the City delivers projects and policies to increase the residential population of the city, the timeframe for delivery of this initiative was longer term (five years plus) in recognition of the lead times required to enact and see results of these programs and to reflect the aspects the City can directly deliver versus partner and advocate for, particularly with the private sector and State and Australian Governments.
8. The City has also recently undertaken a Property Review which may allow prioritisation of City owned land parcels for future residential development opportunities into the future.

9. In 2020 the City engaged with ten residential apartment builders to understand drivers for increasing residential development in the city, to inform the draft Local Planning Strategy and new Local Planning Scheme No. 3. The main barriers identified to residential density and development within the Central Perth area included safety and security issues dampening demand, a lack of quality sites, parking demand issues for tenants and a flat market at the time competing with projects in other areas.
10. As noted within the motion, as well as engagement with the private sector (residential developers operating within and outside the Perth LGA and industry groups such as the Property Council of WA and WA Apartment advocacy groups), there will be multiple areas to investigate across both planning and non-planning incentives and initiatives that influence the intentions of landowners, developers and purchasers, as well as ongoing engagement with the State and Federal Governments.
11. The State Government has recently announced a 50% land tax discount for build-to-rent projects and enhanced transfer duty rebates for off-the-plan apartment purchases, including a 100% rebate for apartments valued up to \$500,000, tapering to the existing 50% rebate for apartments valued at \$600,000 and above.
12. The Federal Government has also announced policies for eligible home buyers to meet a two percent deposit with an equity contribution from the Federal Government up to a maximum of 40% of the purchase price of a new home and up to 30% of the purchase price for an existing home.
13. Through a Perth Inner City Housing Taskforce in the early 1990's, a partnership between the City of Perth and the State and Federal Governments, the City previously enacted a non-planning incentive in the form of a residential rate concession (three years of rates relief up to \$2000 per property in the CBD and West Perth) to encourage residential take up in the City.
14. This concession resulted from a KPMG delivered report which investigated land purchase costs, statutory holding costs, planning approvals and process, headworks and infrastructure charges, construction and selling costs. This rebate scheme operated from the 1999/2000 FY with applications ceasing in July 2014. Over the course of the scheme it was estimated 811 ratepayers received 3 years of residential rates relief (up to \$2000) at a cost of \$1.45 million. It is unclear as to the extent to which this rebate influenced decisions.
15. Other areas to investigate will also include:
 - marketing campaigns or communication of opportunities to promote residential development, leverage developer led initiatives and other initiatives to increase demand against alternate residential developments beyond the City's LGA.
 - Examination on how to address "Supply Side" issues such as land availability, labour and material shortages.
 - Examination of market affordability and rental shortfalls.
 - Advocacy and qualification around State Government, fees and charges and tax concessions that impact upon development feasibility.
 - Examination of opportunities/barriers to the adaptative reuse of existing buildings to all types residential land uses.
 - Provision of essential amenity (inclusive of public realm and urban design) and infrastructure to stimulate residential demand in the city such as main street upgrades, schools, transit-oriented development and other forms of amenity.

16. The Administration considers early engagement with key stakeholders will be essential. Engagement inclusive of residential developers that operate within the city and beyond will be an effective way of qualifying and informing prioritisation of the range of issues that may impact upon the rate of residential development within the city.
17. Given the taxation role of Federal and State Government, their involvement would be crucial to ensure buy-in to potential outcomes.
18. The Lord Mayor could host a function of these stakeholders (or potentially two to allow maximum participation or a combination of a workshop and survey to capture all stakeholders). Options can be broken down into the direct deliver, partner and advocate format utilised in recent Council approved strategies. It is estimated materials and catering will cost approximately \$2,000.
19. To ensure effective engagement background literature can be prepared as thought starters across relevant areas of the Administration (inclusive of Development Approvals, City Planning, Economic Development, Urban Design, Infrastructure and Operations and Communications and Marketing units) and used to qualify the best options, assist in scope development and communicating the output of these sessions for subsequent engagement with the State and Federal Governments. This may take approximately 60 to 100 hours across relevant teams with engagement to commence in four to six weeks dependent on availability of key stakeholders, and reprioritising staff from current work.
20. Dependant on the outputs of the front-loaded engagement, Council may wish to commission an independent qualification of the options and outputs similar to the report undertaken in the early 1990's. It is suggested if this option is taken by Council approximately \$20,000 to 30,000 could be budgeted for this work. This may take three to four months to conclude post the initial workshop(s).
21. The Administration considers this may allow for enhanced advocacy to the State and Federal Governments, it will also allow for validation and prioritisation of relevant options to inform preparation of the 2023/24 budget, as per the motion.

Decision Implications

22. In consideration of the motion, the Administration notes the potential financial implications that would need to be included into the 2022/23 budget. Delivery of the work in the suggested timeframe will be dependent on availability of external stakeholders. Staff resources will need to be reprioritised from existing workloads.
23. The draft Local Planning Strategy adopted by the Council in July 2021 and certified by the WAPC in January 2022 identifies areas for increased residential density. Formal consultation has been completed with submissions currently being assessed, with final adoption by Council anticipated in October to December 2022. The Strategy requires final approval by the WAPC and significant variation to the strategy not as a result of the formal consultation may delay adoption. This could have flow-on impacts on the drafting of the new Local Planning Scheme No.3 that is underway.
24. Overall, the Administration considers the focus of the motion to be aligned with a range of recent strategies approved by Council and will have benefits for liveability, sustainability and the local economy.

Strategic, Legislative and Policy Implications

| Strategic Community Plan | |
|--|--|
| Strategic Pillar (Objective) | Liveable |
| Related Documents (Issue Specific Strategies and Plans): | Draft Local Planning Strategy Clause 4.3.1 Population Growth sets a city-wide and neighbourhood specific residential growth targets for the city to 2036. Economic Development Strategy |
| Legislation, Delegation of Authority and Policy | |
| Legislation: | Regulations 11 and 12 of the <i>Planning and Development (Local Planning Schemes) Regulations 2015</i> |
| Authority of Council/CEO: | In accordance with section 2.7 of the <i>Local Government Act 1995</i> , it is the role of Council to govern the City's affairs, be responsible for the performance of the City's functions, oversee the allocation of the City's finances and resources; and determine the City's policies. |
| Policy: | Nil. |

Financial Implications

Nil.

Further Information

Nil.

18. Matters for which the meeting may be closed

In accordance with Section 5.23(2)(c) and Section 5.23(2)(f) of the Local Government Act 1995, the following Item 18.1 and its attachment are confidential.

18.1 City of Perth Technology Strategy

| | |
|---------------------|--|
| Responsible Officer | Melissa Murphy – General Manager Corporate Services |
| Voting Requirements | Simple Majority |
| Attachments | Confidential Attachment 18.1A – City of Perth Technology Strategy 2022-2026 (<i>Confidential in accordance with Sections 5.23(2)(c) and 5.23(2)(f) of the Local Government Act 1995</i>) |

19. Urgent Business

This item will be dealt with at the Ordinary Council Meeting.

20. Closure