

minutes

MEETING HELD ON **TUESDAY 21 MAY 2019**

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CITY OF JOONDALUP

**COUNCIL MEETING HELD IN THE COUNCIL CHAMBER, JOONDALUP CIVIC CENTRE,
BOAS AVENUE, JOONDALUP ON TUESDAY 21 MAY 2019.**

DECLARATION OF OPENING

The Mayor declared the meeting open at 7.00pm.

ANNOUNCEMENT OF VISITORS

Mayor:

HON. ALBERT JACOB, JP

Councillors:

CR KERRY HOLLYWOOD	North Ward	
CR TOM McLEAN, JP	North Ward	<i>absent from 8.48pm to 8.50pm</i>
CR PHILIPPA TAYLOR	North Central Ward	<i>absent from 8.37pm to 8.40pm</i>
CR NIGE JONES	North Central Ward	
CR CHRISTOPHER MAY	Central Ward	
CR RUSSELL POLIWKA	Central Ward – <i>Deputy Mayor</i>	<i>absent from 8.22pm to 8.24pm</i>
CR MIKE NORMAN	South-West Ward	
CR JOHN CHESTER	South-East Ward	<i>absent from 8.32pm to 8.33pm</i>
CR JOHN LOGAN	South-East Ward	<i>absent from 7.47pm to 7.51pm</i>
CR RUSS FISHWICK, JP	South Ward	<i>absent from 8.32pm to 8.33pm</i>
CR SOPHIE DWYER	South Ward	<i>absent from 7.18pm to 7.21pm</i>

Officers:

MR GARRY HUNT	Chief Executive Officer	<i>absent from 8.55pm to 8.57pm</i>
MR MIKE TIDY	Director Corporate Services	
MR JAMIE PARRY	Director Governance and Strategy	<i>absent from 8.38pm to 8.43pm</i>
MS DALE PAGE	Director Planning and Community Development	<i>absent from 8.39pm to 8.42pm</i>
MR NICO CLAASSEN	Director Infrastructure Services	
MR BRAD SILLENCE	Manager Governance	
MR CHRIS LEIGH	Manager Planning Services	<i>to 9.26pm</i>
MR DANIEL DAVINI	Media Advisor	<i>to 9.26pm</i>
MRS DEBORAH GOUGES	Governance Officer	
MRS WENDY COWLEY	Governance Officer	

There were 129 members of the public and one member of the press in attendance.

DECLARATIONS OF INTEREST

Disclosures of Financial / Proximity Interest

A declaration under this section requires that the nature of the interest must be disclosed. Consequently a member who has made a declaration must not preside, participate in, or be present during any discussion or decision-making procedure relating to the matter the subject of the declaration. An employee is required to disclose their financial interest and if required to do so by the Council must disclose the extent of the interest. Employees are required to disclose their financial interests where they are required to present verbal or written reports to the Council. Employees are able to continue to provide advice to the Council in the decision making process if they have disclosed their interest.

Name/Position	Cr John Chester.
Item No./Subject	CJ052-05/19 - Draft New Planning Framework for Infill Development.
Nature of interest	Financial Interest.
Extent of Interest	Cr Chester owns a residential property in Place Neighbourhoods 1 and 7 and his son and daughter own residential property in Place Neighbourhoods 1 and 5.

Name/Position	Cr Russ Fishwick, JP.
Item No./Subject	CJ052-05/19 - Draft New Planning Framework for Infill Development.
Nature of interest	Financial Interest.
Extent of Interest	Cr Fishwick is a joint owner of a property in Housing Opportunity Area 1 – Place Neighbourhood 1.

Name/Position	Mr Garry Hunt.
Item No./Subject	CJ059-05/19 - Request for Annual Leave – Chief Executive Officer.
Nature of interest	Financial Interest.
Extent of Interest	Mr Hunt has requested annual leave.

Disclosures of interest affecting impartiality

Elected Members (in accordance with Regulation 11 of the *Local Government [Rules of Conduct] Regulations 2007*) and employees (in accordance with the Code of Conduct) are required to declare any interest that may affect their impartiality in considering a matter. This declaration does not restrict any right to participate in or be present during the decision-making process. The Elected Member/employee is also encouraged to disclose the nature of the interest.

Name/Position	Mayor Hon. Albert Jacob, JP.
Item No./Subject	CJ052-05/19 - Draft New Planning Framework for Infill Development.
Nature of interest	Interest that may affect impartiality.
Extent of Interest	Mayor Jacob has a relative that owns a property in Housing Opportunity Area 10.

Name/Position	Cr John Logan.
Item No./Subject	CJ052-05/19 - Draft New Planning Framework for Infill Development.
Nature of interest	Interest that may affect impartiality.
Extent of Interest	Cr Logan's stepdaughter owns a property in Housing Opportunity Area No. 10.

Name/Position	Cr Sophie Dwyer.
Item No./Subject	CJ057-05/19 - List of Payments made during the month of March 2019.
Nature of interest	Interest that may affect impartiality.
Extent of Interest	Cr Dwyer's employer has received a payment from the City of Joondalup.

Name/Position	Cr Mike Norman.
Item No./Subject	CJ067-05/19 - Review of City's Investment Policy.
Nature of interest	Interest that may affect impartiality.
Extent of Interest	<ul style="list-style-type: none"> Cr Norman is a supporter of the Australian Conservation Foundation (ACF) and OXFAM, both of which support stronger action to mitigate climate change. Cr Norman holds shares in the Bank of Queensland, but below the threshold.

PUBLIC QUESTION TIME

The following question was taken on notice at the Council meeting held on 16 April 2019:

Ms S Thompson, Duncraig:

Re: CJ045-04/19 - Draft New Planning Framework for Infill Development.

Q2 *It appears that the proposed Local Planning Policy and Scheme Amendment does not offer any additional development controls for some of the place types for grouped dwellings within the R60 coded areas. So why do these dwellings have less protections than multiple dwellings which are covered by the new apartment codes?*

A2 The draft *Place Neighbourhoods Local Planning Policy*, prepared by an independent consultant team, includes general development controls in Section Three.

Section 3.1 (General Development Controls – Place Neighbourhoods) applies to all development within the Place Neighbourhoods.

In addition to the general development controls contained in Section 3.1, Section 3.2 (General Development Controls – Place Neighbourhoods (except District Activity Centre R60 (0-400m) and Transit R60 (0-400m) Place Types) applies to all development within the Place Neighbourhoods, with the exception of land identified as District Activity Centre R60 (0-400m) and Transit R60 (0-400m) Place Types.

Where development proposals within the District Activity Centre R60 (0-400m) and Transit R60 (0-400m) Place Types are not required to comply with the General Development Controls as outlined in Section 3.2, the development is required to comply with the requirements of State Planning Policy 7.3 – Residential Design Codes Volume 2 – Apartments (SPP 7.3, Vol. 2).

As such, the City understands that the intent of the policy is that all development proposals, including grouped dwellings, within District Activity Centre R60 (0-400m) and Transit R60 (0-400m) Place Types are required to comply with the requirements of SPP 7.3, Vol. 2 and therefore grouped dwellings within these Place Types will have the same protection as multiple dwellings.

The following questions were submitted prior to the Council meeting on 21 May 2019:

Mr J Moore, Ocean Reef:

Re: Burning Grass Trees.

Q1 How many grass trees will be on fire at any one time?

A1 The number of grass trees that will be burnt within a pre-determined area will be dependent on operational parameters, including the density and size of the grass trees, the intent of the burn, weather conditions and overall fuel load. All operational burn parameters will be captured within the Department of Fire and Emergency Services (DFES) burn prescription for each individual burn area.

Q2 How many people will be attending when the trees are on fire?

A2 The number of experienced personnel attending the burn will be dependent on the size of the burn area, weather conditions and other operational parameters. This will be identified in the DFES burn prescription prior to the implementation of the burn.

Q3 How many people will be required to monitor the trees when the fires have gone out?

A3 The number of experienced personnel monitoring post-burn will be dependent on the size of the burn area, weather conditions and other operational parameters.

Q4 How much will the program cost?

A4 The cost of the program will be dependent on the number and size of the burns undertaken each year. The cost is minimal due to DFES operational support and can be accommodated within the City's operational budget.

Q5 Has anyone considered pruning the trees? The stalks break off easily and can be mulched.

A5 The pruning of grass trees is not as effective a fuel reduction strategy as it does not reduce the surrounding leaf litter. Pruning is also a more labour and cost intensive means of mitigating the risk of unplanned fire.

Mr M Dickie, Duncraig:

Re: CJ067-05/19 – Review of City's Investment Policy.

Q1 Since the response to my question asked at the Council meeting held on 16 April 2019 provides only negative issues of electric vehicle use, could you please list the advantages for Council in moving to use electrical vehicles including minimal fuel and maintenance costs?

A1 The current criteria for vehicle selection is based on the overall lowest whole of life cost, therefore, any benefits in moving to electrical vehicles including fuel consumption and maintenance costs are already considered as part of this process.

- Q2 *Is Council aware of the Federal Government's Greenhouse Gas Inventories 2016 document which sets out the poor performance of Western Australia (WA) in comparison to other states and territories which, apart from NT and ACT, have all made reductions in their greenhouse gas inventories between 2005 and 2016, while WA recorded a 20% increase and does Council acknowledge responsibility for part of this?*
- A2 The City is aware of the *State and Territory Greenhouse Gas Inventories 2016*. The City's corporate greenhouse gas emissions in 2016 was 18,555 tCO₂-e which represents 0.022% of Western Australian emissions (82.2 MtCO₂-e) as detailed in the *State and Territory Greenhouse Gas Inventories 2016* report. All levels of government, business and community have a responsibility to reduce greenhouse gas emissions including the City of Joondalup. In 2017-18 the City's corporate greenhouse gas emissions was 23% lower than the 2012-13 baseline.
- Q3 *With reference to Report CJ067-05/19 and given that the City has committed to reduce its Greenhouse Gas emissions as set out in Mitigation Objectives in the current Climate Change Strategy, all of which focus on reducing GHG emissions, why does this Report state that the City currently has no defined position on fossil fuels that would inform the City's Investment Policy?*
- A3 The City's *Climate Change Strategy* provides guidance to the City's climate change activities and has a dual purpose addressing mitigation and adaptation. This includes how the City has committed to reduce its greenhouse gas emissions. There is no statement or position in the strategy that the City will use its resources or put at additional risk the assets of the City in seeking to influence the investment decisions of third party corporate bodies in regard to fossil fuels.
- Q4 *Since we know that other Councils which have divested from fossil fuel supporting banks have found that they received a greater rate of return from similarly rated banks what are "the risks associated with extending investment policy limits and counterpart limits that would be required to increase the investment in non-fossil fuel investing financial institutions"?*
- A4 The City already invests in non-fossil fuel investing institutions that meet the City's *Investment Policy* criteria. 38.46% of the City's investments are with these institutions as per the Financial Report as at the end of March 2019 in this agenda. These institutions are Standard and Poors (or equivalent) rated long-term A+/- . At this rating they have a lower level of capacity to meet financial commitments being strong, compared to the extremely strong and very strong of AAA and AA but they are also somewhat susceptible to adverse circumstances and economic conditions. This is an additional level of risk.
- Q5 *The report appears to make a value judgement without evidence in stating that "actions that may be detrimental to the natural gas industry may not be in the best interests of the community". Does Council refer to the interests of the 10 Joondalup residents who the Federal Department of Jobs and Small Business tells us were employed in oil and gas extraction in 2017-18?*
- A5 The comment in the report refers to "community" and does not just refer to employment. It includes everyone who may be reliant on and / or use natural gas in some way such as heating, cooking, consuming power generated by natural gas and the like.

The reference to “10 Joondalup residents who the Federal Department of Jobs and Small Business tells us were employed in oil and gas extraction in 2017-18” which was also referred to in a slide included in the presentation by the deputation to the Briefing Session held on Tuesday 14 May 2019 is not correct and misrepresents the situation.

The statistic referred to is looking at the economic profile of the City and is considered to reflect the number of people employed in industries actually located in the City of Joondalup which can include people who do not live in the City. The City does not have significant oil and gas extraction industries located in the City.

The relevant statistic for the industries in which City of Joondalup workers are employed is under the community profile. The latest statistic is for 2016 and while mining does not have a more detailed breakdown it indicates 3,508 people or 4.4% of the working population are employed in the mining industry which includes oil and gas.

Mrs R Millett, Beldon:

Re: CJ052-05/19 – Draft New Planning Framework for Infill Development.

Q1 *Given the State Government closed Camberwarra Primary School, sold the land to developers and is now housing resulting in only one primary school in Craigie where the infill is to be greatest, did the City alert the Planning Department to this problem as it ultimately means there will not be enough primary schools in that area to accommodate the expected infill?*

A1 Development of the former Camberwarra Primary School site was undertaken by LandCorp, a state government agency.

As part of the progression of the City's *Local Housing Strategy*, the Department of Education, who is responsible for school planning, was consulted and advised that existing government schools had the capacity to accommodate their estimate of students that are likely to be generated by additional development. This advice was received after the decision to close Camberwarra Primary School was made.

Q2 *Did the City explain to the Department of Planning that they would not purchase blocks to ensure these areas have appropriate services to meet the increased population?*

Q3 *Why would the City not alert the Planning Department of the service problems this type of infill would bring with it?*

A2-3 The City's *Local Housing Strategy*, which established the Housing Opportunity Areas, did include information of the availability of services and facilities and did not contemplate the purchase of more land for this purpose. The *Local Housing Strategy* was reviewed and endorsed by the Department of Planning / Western Australian Planning Commission.

Q4 *When the Department of Planning first said the density was not dense enough to meet the infill requirements, why did the City choose to increase the R-coding rather than increase the boundaries of each HOA giving a more even spread of population increase?*

A4 The boundaries of some Housing Opportunity Areas were increased along with increased densities following the Department of Planning's advice received on the original *Local Housing Strategy*.

Mr M Moore, Edgewater:

Re: CJ052-05/19 – Draft New Planning Framework for Infill Development.

Q1 To meet the City's state mandated 2031 infill dwelling target of 12,200, how many infill dwellings will the Housing Opportunity Areas have to contribute?

Q2 To meet the City's state mandated 2050 infill dwelling target of 20,670, how many infill dwellings will the Housing Opportunity Areas have to contribute?

A1-2 Perth and Peel @ 3.5 million, the state government's current long-term growth strategy for the Perth and Peel regions, sets a minimum infill target of 20,670 additional dwellings for the City of Joondalup, to 2050.

Approximately half of these are anticipated to come from the City's Housing Opportunity Areas.

Q3 The Local Housing Strategy does not include any estimate for infill dwellings on the 51 identified mixed use lots. What is the estimated number of infill dwellings for these lots?

A3 The Mixed Use zone, while allowing residential development, also allows for a broad range of non-residential activities. Due to the uncertainty in whether or not a component of residential development will form part of future development of these Mixed Use zoned sites, an infill dwelling estimate has not been factored in.

Q4 The Local Housing Strategy did not factor in for apartments in its infill dwelling estimates. What is the estimated additional number of infill dwellings when apartments are factored in?

A4 The draft new Planning Framework for Infill Development has factored apartments in its infill dwelling estimates. Dwelling estimates are intended to be made available as part of public consultation on the draft new Planning Framework for Infill Development.

Q5 North Duncraig's Marri Road shopping centre now has 41 approved apartments, with a further 10 proposed. Mullaloo's shopping centre has a proposal for 23 apartments. What are the expected infill dwelling estimates for the City's suburban shopping centre sites for 2031 and 2050?

A5 There are 21 apartments currently under construction at Duncraig Shopping Centre, with a further 20 apartments completed on an adjoining site. There is not a further 10 apartments proposed at Duncraig Shopping Centre, however there is at a site nearby.

The City's suburban shopping centres such as those described are primarily zoned 'Commercial'. The Commercial zone, while allowing residential development, also allows for a broad range of non-residential activities. Due to the uncertainty in whether or not a component of residential development will form part of future redevelopment of these suburban shopping centres, an infill dwelling estimate has not been factored in.

The following questions were submitted verbally at the Council meeting:**Mrs A Leitch, Duncraig:**

Re: CJ067-05/19 – Review of City’s Investment Policy.

Q1 Is Council aware of the considerable health impacts of climate change as documented by the World Health Organisation, the Lancet, the West Australian Government and leading research bodies around the world, including the expected costs to the economy and the human suffering that will be caused?

*A1 The Director Governance and Strategy advised the City is aware of the implications of climate change. The City has developed a *Climate Change Strategy* which attempts to meet adaptation and mitigation measures the City feels it can be responsible for.*

Q2 Given the current and future health impacts to residents and frontline health staff residing in the City, why would the City of Joondalup not be prepared to take steps to divest from fossil fuels to reduce greenhouse gas emissions when it does not cost anything and incurs no additional risk?

A2 Mayor Jacob advised he was unable to respond to the question as Council had not yet debated the item at the Council meeting.

Mr M Dowling, Woodvale:

Re: CJ067-05/19 – Review of City’s Investment Policy.

Q1 Does Council appreciate that the presence of the word “superior” in the preference clause in the report is a frivolous waste of Council’s time and changes nothing only describing the status quo as you cannot prefer something when it is not, when there is nothing to procure it to?

A1 Mayor Jacob commented he did not agree with Mr Dowling’s statement.

Q2 Does the clause “reduced returns” always direct to find and use the best interest rate on any given day?

A2 The Director Corporate Services advised the City’s policy has a set of counterparty and portfolio limits which the City’s investments are spread across. While the City does not always invest in the best interest rate it can get on the day, it invests in the best interest rate that it can get which meets those limits.

Mr S Kelland, Woodvale:

Re: CJ052-05/19 – Draft New Planning Framework for Infill Development.

Q1 Has Council undertaken capacity assessments in relation to essential services, municipal services and traffic impact assessments?

- A1 The Director Planning and Community Development advised a traffic analysis has been carried out with a report in the process of being finalised. The original *Housing Strategy* adopted was referred to all service and utility providers for comment. The providers advised these were within their ability to service in those areas.
- Q2 *How can a decision be made on the Planning Framework without a fully detailed feasibility study being undertaken and understanding all the implications of the planning framework, specifically on page 66 on the viability of these areas having the capacity to cater for the infill targets without creating congestion, and the like?*
- A2 Mayor Jacob advised Council would not be making a decision on the framework, only the City officer's recommendation which is to seek permission to formally consult.

Ms B Chandaria, Woodvale:

Re: CJ067-05/19 – Review of City's Investment Policy.

- Q1 *Does the City of Joondalup have any policy, strategy or any other instrument that requires it to finance, support, promote or in any other way favour the search for production, processing, use or export of any fossil fuel and in particular liquid natural gas?*
- A1 Mayor Jacob advised the City of Joondalup did not.
- Q2 *Can you confirm that the City of Joondalup currently has a Climate Change Strategy in which all of its four mitigation objectives aim to reduce greenhouse gas emissions?*
- A2 Mayor Jacob advised yes.

Mr M Dickie, Duncraig:

Re: CJ067-05/19 – Review of City's Investment Policy.

- Q1 *Is Council aware that while liquefied natural gas (LNG) production and exports have risen dramatically in the last couple of years, particularly in Western Australia, fugitive emissions have contributed more than 7% to the increase in Australian greenhouse gas emissions while according to the City of Joondalup's latest economic profile employment in oil and gas extraction has declined from 12 Joondalup residents in 2012-13 to 10 in 2017-18 and in exploration and other mining support services from 74 to 56 in the same period?*
- A1 Mayor Jacob stated LNG production in Western Australia had increased significantly, however was an important transition fuel compared to burning coal with up to 70% more efficiency. Mayor Jacob advised it was not the ultimate aim, however many jurisdictions including Western Australia did not currently have base load options.

Mayor Jacob advised in regard to resourcing in the oil and gas industry, the City of Joondalup has in excess of 3,500 residents employed in the industries and the figures highlighted referred only to Joondalup residents who are employed in those industries and are based in offices within the City of Joondalup.

Q2 *Is Council aware that Chevron's Wheatstone and Gorgon energy plants in Western Australia's North-West have been emitting vast amounts of greenhouse gas for years without compensation and the company is paying virtually no tax or royalties?*

A2 Mayor Jacob advised those projects are based in Commonwealth waters albeit the processing plants at Wheatstone and Gorgon are on Western Australian State land. Therefore, the plants are not subject to the State Government Royalty regime, but are subject to the Petroleum Resources Rent Tax.

Mr B Evans, Duncraig:

Re: *CJ047-05/19 – Development Applications for 13 Multiple Dwellings at Lots 102 and 103 (4 and 6) Brechin Court, Duncraig.*

Q1 *Could Council, by a show of hands, indicate which Councillors have visited the Brechin Court, Duncraig cul-de-sac?*

A1 Mayor Jacob advised Councillors were not permitted to interact in that manner during Council meetings. Mayor Jacob stated Brechin Court had been visited by the Mayor and Councillors.

Q2 *If Council were to refuse the development at Brechin Court, Duncraig would it be assessed under the new or old rules through the State Administrative Tribunal (SAT)?*

A2 The Director Planning and Community Development advised once Design WA is released on 24 May 2019 it will be the overarching framework used in SAT processes.

Mrs F Gilbert, Kallaroo:

Re: *CJ047-05/19 – Development Applications for 13 Multiple Dwellings at Lots 102 and 103 (4 and 6) Brechin Court, Duncraig.*

Q1 *Would it be possible to provide an updated dwelling estimate for the Whitfords Activity Centre and all other precincts to both 2031 and 2050?*

A1 The Director Planning and Community Development advised although the *Activity Centre Plan* specified the number of dwellings aimed for, the City was unable to predict exactly how many development approvals would be enacted on to construction stage.

Mr C Schoonakker, Duncraig:

Re: *CJ052-05/19 – Draft New Planning Framework for Infill Development.*

Q1 *Do City staff who are office based and plan the developments personally visit the sites they are proposing to increase density on to assess and determine, from a practical position, if the development plans are viable?*

C25-05/19**FIRST EXTENSION OF PUBLIC QUESTION TIME - [01122, 02154]**

MOVED Mayor Jacob, SECONDED Cr May that Public Question Time be extended for a period of 10 minutes.

The Motion was Put and

CARRIED (12/0)

In favour of the Motion: Mayor Jacob, Crs Chester, Dwyer, Fishwick, Hollywood, Jones, Logan, McLean, May, Norman, Poliwka and Taylor.

- A1 The Director Planning and Community Development advised staff do visit the sites. A team of consultants comprising planners, urban designers, architects and property consultants walked through the areas as part of the development of the latest strategy.
- Q2 *Are their notes, reports, pictures and assessments taken during their visit available to the public?*
- A2 The Director Planning and Community Development advised some of the consultants analysis is contained within the Council report and attachments to the report, however other notes taken by the consultants would not be available and forms part of the background information which the consultants used to translate into the strategy.

Cr Dwyer left the Chamber at 7.18pm.

Mr L Wright, Woodvale:

Re: CJ067-05/19 – Review of City’s Investment Policy.

- Q1 *Is Council aware in the Local Government Act 1995 Part 1 of Introduction Matters Section 1.4 states “in carrying out its functions a local government is to use its best endeavours to meet the needs of current and future generations during integration of environmental protection, social advancement, and economic prosperity.”?*
- A1 Mayor Jacob advised Council was aware.
- Q2 *Is there any instrument in the Local Government Act 1995 or the City’s own laws, policies, and so forth that will prohibit Council from adopting a policy amendment to change its investment practices to minimise the City’s contribution in the production of greenhouse gas emissions and in line with the City’s strategy which specifically requires the City to try reduce greenhouse gas emissions?*
- A2 Mayor Jacob advised there was nothing that would prevent the City from adopting a policy position about divestment.

Mr M Moore, Edgewater:

Re: CJ052-05/19 – Draft New Planning Framework for Infill Development.

Q1 *A question was asked in writing at the previous Council meeting relating to the R60 group dwellings in the district activity centre zone. The answer that was given seems to imply that the apartment code will be used to assess the group dwellings in that area. Can you please clarify this?*

A1 The Director Planning and Community Development clarified while Design WA volume two does not apply directly to group dwellings, the consultants have taken guidance from some of those provisions and incorporated policy or development provisions in the draft new framework that will also apply to the dwellings.

Cr Dwyer returned to the Chamber at 7.21pm.

Q2 *Please explain how the typologies are going to be enforced?*

A2 The Director Planning and Community Development clarified each of the typologies have a set of rules which deal with permissibility and all the development provisions relative to the place type they will be located in.

As an example, if you want a type of dwelling and want to locate it in a certain type of area, there would be a cross reference between the type of dwelling rules and the type of area rules resulting in a set of provisions which will apply to your type of dwelling located in a certain type of area. This would also apply to purpose-built developments.

Once the City has moved through the process of consultation, the typologies will be adapted into an easier to read format for use by applicants, assessors and neighbours.

Mr K McGill, Duncraig:

Re: CJ052-05/19 – Draft New Planning Framework for Infill Development.

Q1 *Are all neighbourhood activity areas going to be zoned R60 or only those within housing opportunity areas?*

A1 The Director Planning and Community Development advised the draft new planning framework currently only applies to housing opportunity areas and there is no intention for the framework to apply to residential properties that surround other activity centres. However, there is a separate and unrelated to the proposed framework, density coding which applies to all centres.

Q2 *Please explain why the R60 exceeds the State Planning Policy as it does not seem to indicate R60's around those zones?*

A2 The Director Planning and Community Development advised the City was unaware the R60 exceeded the *State Planning Policy* and noted the policy did not mandate certain densities around certain centres.

Individual local governments identify which densities are appropriate for centres in their remit and take into consideration the nature of the centre and the context around it. The individual local governments then determine which densities are appropriate for the centre and then State Government approve the local government determined densities.

Ms A Hindinger, Duncraig:

Re: CJ067-05/19 – Review of City's Investment Policy.

Q1 *Given no investment can ever be regarded as totally risk free, does the City Investment Policy define what level of risk is acceptable by seeking the best investment returns, consistent with the need for liquidity?*

A1 The Director Corporate Services advised the City *Investment Policy* identifies what the counterparty limits, portfolio limits and levels of risk are that would apply with each combination of long and short-term ratings.

Q2 *If the City can invest in a bank that meets acceptable risk, as defined in the Investment Policy, when that bank offers the highest interest rate does the existing policy prohibit investment in that bank when it offers an interest rate that is equal to the best rate offered by other banks at the same time?*

A2 The Director Corporate Services advised it would depend on whether the investment the City was making at that time had already reached its limits. It could be possible that at the time an institution offers the best interest rate the City may already have reached the counterparty and portfolio limits in that particular category of risk and would therefore be unable to invest in that institution.

C26-05/19

SECOND EXTENSION OF PUBLIC QUESTION TIME - [01122, 02154]

MOVED Mayor Jacob, SECONDED Cr Poliwka that Public Question Time be extended for a period of 10 minutes.

The Motion was Put and

CARRIED (12/0)

In favour of the Motion: Mayor Jacob, Crs Chester, Dwyer, Fishwick, Hollywood, Jones, Logan, McLean, May, Norman, Poliwka and Taylor.

Mrs B Hewitt, Edgewater:

Re: Builder's Access to Neighbours Property.

Q1 *With the growing number of developments being built to the fence line, can you please advise what access neighbours are required to provide to builders in terms of access to a neighbouring property and the obligations of the builders to that property owner such as not damaging their gardens?*

A1 The Director Planning and Community Development advised this does not form part of the planning process; but rather as part of the building approval process through the Building Codes of Australia. There are requirements under certain circumstances for a neighbour's signature to be obtained even if there is no planning approval requirement to be gained should there be a need for access to a neighbour's property.

CJ052-05/19 - Draft New Planning Framework for Infill Development.

Q2 *It is noted that the housing opportunity areas review will be decided via a procedural motion. Please provide an explanation as to why this course of action is being taken?*

A2 Mayor Jacob commented the matter has yet to be determined by Council but stated he had given notification at the Briefing Session held on Tuesday 14 May 2019 of his intention to move a motion to refer the item back to the Chief Executive Officer by way of a procedural motion. There is a mechanism within the City's *Meeting Procedures Local Law 2013* to allow this to occur.

If supported, Mayor Jacob advised this would essentially split the process into two stages, with the recoding stage being extracted from the process. The focus would then be on the first stage relating to the design guidelines under Section 3 of the general development controls to come forward as a local planning policy, to be progressed as a matter of urgency. As well for Council to consider progressing a concurrent scheme amendment to capture those development controls. These matters would again be presented to Council in the near future to consider initiation or otherwise. Currently Council does not have a trigger to initiate this.

Mrs S Makoare, Greenwood:

Re: *CJ052-05/19 - Draft New Planning Framework for Infill Development.*

Q1 *As Section 3 is only nine pages long and upon reading the section, it seems to require little to adapt it to the existing housing opportunity areas. How long and how many planners will be required to prepare the interim local planning policy?*

A1 The Director Planning and Community Development advised the body of work that has been undertaken by the consultants is a complex body of work. There are different parts to it, with those parts being intrinsically linked. There may well be some merit in removing some of the provisions and advancing those separately, but that does need to be tested. It is not just a case of removing a few provisions and then progressing those. The test will need to determine whether or not that will provide the outcomes that the residents are hoping for. The City will need to test it in terms of design and feasibility. This would then need to go through the process of putting that together, prior to returning to Council. Furthermore, if there is a need for residents to understand what the impact of that will be in terms of both yield and traffic analysis that will also need to be done.

The Director Planning and Community Development advised she was unable to confirm how long this process would take but indicated it would not happen immediately.

Q2 *Is there any reason why the preparation of the local planning policy should delay community consultation on the balance of the consultant's report?*

A2 Mayor Jacob advised that was a decision for Council.

Mrs R Whittemore, Craigie:

Re: CJ052-05/19 - Draft New Planning Framework for Infill Development.

Q1 Can you please confirm if the R60 zoning goes ahead and my residence is rezoned R60, does that mean you are removing my ability to choose whether we are able to build a duplex / triplex on our property, given the western side of Craigie has the option to do so?

A1 Mayor Jacob commented there is nothing before Council to make any decision on coding or typologies. What is currently before Council is whether to seek formal approval from the Western Australian Planning Commission to consult on this package of work or not.

The Director Planning and Community Development advised the framework as it is currently proposed does flag that under the permissibility for different typologies if you are located close to a large centre in an R60 coded area, then you will not be able to demolish a house and build only two duplexes, so it does encourage higher density. It does depend on where that particular property is located, around which centre and how close to the centre that is.

Q2 As my residence is within 200 metres walking distance from the Craigie Tavern on the western side of Eddystone Avenue, why in this study has my house been flagged as an R60 zoning where we can no longer sub-divide our property to give to my children (the backyard), whereas the eastern side of Eddystone Avenue which is a 23 metre walk from the Craigie Tavern and the local IGA which is classed as an activity centre. Why do they still have a zoning recommendation of R20?

*A2 The Director Planning and Community Development commented the properties on the eastern side of Eddystone Avenue are currently located outside a housing opportunity area. If a comprehensive review of density outside of a housing opportunity area was commenced now, it may be that a review of the whole of the *Local Housing Strategy* would need to be undertaken. That would delay a solution for residents for years.*

Dr T Green, Padbury:

Re: CJ052-05/19 - Draft New Planning Framework for Infill Development.

Q1 I understand the item on this evening's agenda is to proceed to formal consultation. Please confirm that this item as it stands will also formally initiate the amendment in the eyes of the State Government?

A1 The Director Planning and Community Development advised as with any amendment, yes it would.

PUBLIC STATEMENT TIME

The following statements were submitted verbally at the Council meeting:

Mr S Zafiris, Woodvale:

Re: CJ052-05/19 - Draft New Planning Framework for Infill Development.

Mr Zafiris spoke in relation to the new draft Planning Framework for Infill Development and urged Council to work with the community to achieve an acceptable and sustainable outcome for infill.

Mr Zafiris requested Council do the following:

- Consult, not just inform, the community before initiating a scheme amendment to the commission.
- Halt progression of the scheme amendment because it is flawed, incomplete and not in line with community needs.
- Implement greater controls to the City's *Local Planning Policy* and tighter development controls.

Mr G Carey, Duncraig:

Re: CJ047-05/19 - Development application for 13 multiple Dwellings at Lots 102 and 103 (4 and 6) Brechin Court, Duncraig.

Mr Carey spoke against the application for 13 multiple dwellings at 102 and 103 Brechin Court, Duncraig, requesting that Council not rush through approvals based on the old existing R-Code policy knowing that *State Planning Policy 7.3* will come into effect on 24 May 2019 and will yield a much better outcome for residents.

Mr B Evans, Duncraig:

Re: CJ047-05/19 - Development application for 13 multiple Dwellings at Lots 102 and 103 (4 and 6) Brechin Court, Duncraig.

Mr Evans spoke against the application for 13 multiple dwellings at 102 and 103 Brechin Court, Duncraig, requesting that Council vote against the development proposal as:

- the proposed 9.8 metre high apartments would tower over other buildings in the area
- the proposed apartments are not in keeping with the rest of the buildings in the area
- the proposed apartments will double the amount of people and cars on the street.

Mrs S Thompson, Duncraig:

Re: CJ052-05/19 - Draft New Planning Framework for Infill Development.

Mrs Thompson spoke in relation to the new draft Planning Framework for Infill Development, advising that for over two years the community has pleaded to Council to do something about the adverse effects Housing Opportunity Areas are having on the City of Joondalup's suburbs.

Mrs Thompson urged Council to adopt the planning provisions of section 3 and present those to the statutory planning committee for approval as a local planning policy so they are enforceable in a matter of months, as per the consultant's report.

Cr Logan left the Chamber at 7.47pm.

Mr K Baird, Duncraig:

Re: CJ052-05/19 - Draft New Planning Framework for Infill Development.

Mr Baird spoke in relation to the new draft Planning Framework for Infill Development and expressed his disapproval of both the action of Council and the City of Joondalup with approving development applications and planning approvals with sometimes up to 15 concessions.

Mr Baird stated that due to infill development his home is now surrounded by apartments and traffic jams and he and his wife are now faced with the prospect of having to move to a new house because they can not stand where they live anymore.

Miss M Tween, Currambine:

Re: Ocean Reef Marina.

Miss Tween spoke with regard to the damage the Ocean Reef Marina will cause to the 5,250 different species of fish in the area, including 1,300 local species that are found nowhere else on earth, stating that coastal development is toxic to marine life and building by the ocean removes vegetation and changes nutrient levels, creating a toxic environment where fish can no longer breath and this can lead to mass fish deaths.

Miss Tween asked Council to consider the 12.7 million tons of plastic that enter the ocean and how this project can contribute to this number as well as the large number of marine life that will be lost.

Cr Logan entered the Chamber at 7.51pm.

Mr M Dickie, Duncraig:

Re: CJ052-05/19 - Draft New Planning Framework for Infill Development.

Mr Martin Dickie spoke in relation to the new draft Planning Framework for Infill Development, specifically the *Place Neighbourhood Policy* and asked if all Councillors had read the study document and can understand the proposed policy. Mr Dickie stated that he has been working in planning and residential design for 30 years and struggled to follow what it intends as it is just too complex.

Mr Dickie asked that before Council commits to the policy or releases it for public comment that it takes a step back and asks how many people can realistically follow its requirements, let alone know what its likely results will be.

APOLOGIES AND LEAVE OF ABSENCE**Apologies**

Nil.

Leave of Absence previously approved

Cr Christine Hamilton-Prime	5 to 24 May 2019 inclusive;
Cr Sophie Dwyer	28 May to 3 June 2019 inclusive;
Cr John Logan	1 to 9 June 2019 inclusive;
Cr Sophie Dwyer	26 June to 31 July 2019 inclusive;
Cr Kerry Hollywood	23 July to 27 August 2019 inclusive.

C27-05/19 REQUESTS FOR LEAVE OF ABSENCE – CR CHRISTOPHER MAY AND CR NIGE JONES - [107864]

Cr Christopher May requested Leave of Absence from Council duties covering the period 22 May to 2 June 2019 inclusive.

Cr Nige Jones requested Leave of Absence from Council duties covering the periods 19 to 25 June 2019 and 27 July to 2 August 2019 inclusive.

MOVED Cr Hollywood, SECONDED Cr Dwyer that Council APPROVES the requests for Leave of Absence from Council duties covering the following dates:

- | | | |
|----------|---------------------------|--|
| 1 | Cr Christopher May | 22 May to 2 June 2019 inclusive; |
| 2 | Cr Nige Jones | 19 to 25 June 2019 inclusive;
27 July to 2 August 2019 inclusive. |

The Motion was Put and

CARRIED (12/0)

In favour of the Motion: Mayor Jacob, Crs Chester, Dwyer, Fishwick, Hollywood, Jones, Logan, McLean, May, Norman, Poliwka and Taylor.

CONFIRMATION OF MINUTES**C28-05/19 MINUTES OF COUNCIL MEETING HELD 16 APRIL 2019 - [01122, 02154]**

MOVED Cr McLean, SECONDED Cr Jones that the Minutes of the Council Meeting held on 16 April 2019 be confirmed as a true and correct record.

The Motion was Put and

CARRIED (12/0)

In favour of the Motion: Mayor Jacob, Crs Chester, Dwyer, Fishwick, Hollywood, Jones, Logan, McLean, May, Norman, Poliwka and Taylor.

ANNOUNCEMENTS BY THE PRESIDING MEMBER WITHOUT DISCUSSION**2019 Community Art Exhibition**

Mayor Jacob announced that the City's Community Art Exhibition (CAE) will be staged at Lakeside Joondalup Shopping City from Sunday 9 June to Friday 21 June 2019.

Mayor Jacob advised that over the past 22 years, the CAE has grown in stature to earn a reputation of being a strong avenue for local artists to share their work.

Mayor Jacob stated that the CAE includes paintings, works on paper, sculptures and multi-media from a huge number of exhibiting artists.

Mayor Jacob extended his best wishes to all participating artists and congratulated them on producing outstanding artwork for this year's exhibition.

National Volunteer Week 2019

Mayor Jacob announced this week is National Volunteer Week, which is an annual celebration to acknowledge the generous contribution of our nation's volunteers.

Mayor Jacob advised that the 2019 theme is "Making a world of difference", and this week thousands of events will be held across the country to say thank you to the six million Australians who volunteer their time to be unsung heroes and the backbone of our community.

Mayor Jacob stated that on Monday night he had the pleasure of speaking at a special National Volunteer Week event hosted by the City and Lotterywest, *A World of Change: An Exhibition of Volunteer Stories* at the Joondalup Library.

Mayor Jacob advised that the exhibition, supported by project partners Inclusion Solutions, Wanneroo and Joondalup SES, Befriend Inc. and Super Tuesdays at True North Church will run throughout this week until Sunday 26 May 2019.

Mayor Jacob noted that also in attendance was the 2018 WA Volunteer of the Year, the City's very own Mr Ken Blackie who has served for 48 years with the Whitfords Volunteer Sea Rescue located in Ocean Reef.

Mayor Jacob advised that all are welcome to visit this celebration of volunteer stories and the positive impact that volunteering has on the community.

Mayor Jacob, on behalf of the Joondalup community, sincerely thanked those who give so much for so little throughout the City.

IDENTIFICATION OF MATTERS FOR WHICH THE MEETING MAY BE CLOSED TO THE PUBLIC

- 1 CJ063-05/19 – Confidential – Proposed Disposal of Lot 2 (20) Kanangra Crescent, Greenwood.
- 2 CJ071-05/19 – Confidential – Nomination for Freeman of the City of Joondalup.

C29-05/19**MOTION TO CHANGE ORDER OF BUSINESS - [01122, 02154]**

MOVED Mayor Jacob, **SECONDED** Cr Hollywood that Council, in accordance with clause 14.1 of the *City of Joondalup Meeting Procedures Local Law 2013*, suspends the operation of clause 4.3 – Order of Business of the *City of Joondalup Meeting Procedures Local Law 2013*, to enable the consideration of:

- | | | |
|-----|-------------|--|
| 1.1 | CJ063-05/19 | Confidential – Proposed Disposal of Lot 2 (20) Kanangra Crescent, Greenwood; |
| 1.2 | CJ071-05/19 | Confidential – Nomination for Freeman of the City of Joondalup, |

to be discussed after “Motions of which previous notice has been given”.

The Motion was Put and

CARRIED (12/0)

In favour of the Motion: Mayor Jacob, Crs Chester, Dwyer, Fishwick, Hollywood, Jones, Logan, McLean, May, Norman, Poliwka and Taylor.

PETITIONS

Nil.

REPORTS**CJ046-05/19 DEVELOPMENT AND SUBDIVISION APPLICATIONS
– MARCH 2019**

WARD	All
RESPONSIBLE DIRECTOR	Ms Dale Page Planning and Community Development
FILE NUMBER	07032, 101515
ATTACHMENTS	Attachment 1 Monthly Development Applications Determined – March 2019 Attachment 2 Monthly Subdivision Applications Processed – March 2019
AUTHORITY / DISCRETION	Information – includes items provided to Council for information purposes only that do not require a decision of Council (that is for 'noting').

PURPOSE

For Council to note the number and nature of applications considered under delegated authority during March 2019.

EXECUTIVE SUMMARY

Schedule 2 (deemed provisions for local planning schemes) of the *Planning and Development (Local Planning Schemes) Regulations 2015* (the Regulations) provide for Council to delegate powers under a local planning scheme to the Chief Executive Officer (CEO), who in turn has delegated them to employees of the City.

The purpose of delegating certain powers to the CEO and officers is to facilitate the timely processing of development and subdivision applications. The framework for the delegations of those powers is set out in resolutions by Council and is reviewed every two years, or as required.

This report identifies the development applications determined by the administration under delegated authority powers during March 2019 (Attachment 1 refers), as well as the subdivision application referrals processed by the City during March 2019 (Attachment 2 refers).

BACKGROUND

Clause 82 of schedule 2 (deemed provisions for local planning schemes) of the Regulations enables Council to delegate powers under a local planning scheme to the CEO, and for the CEO to then delegate powers to individual employees.

At its meeting held on 21 August 2018 (CJ133-08/18 refers) Council considered and adopted the most recent Town Planning Delegations.

DETAILS

Subdivision referrals

The number of subdivision and strata subdivision referrals processed under delegated authority during March 2019 is shown in the table below:

Type of subdivision referral	Number of referrals	Potential additional new lots
Subdivision applications	3	2
Strata subdivision applications	8	8
TOTAL	11	10

Of the 11 subdivision referrals, six were to subdivide in housing opportunity areas, with the potential for five additional lots.

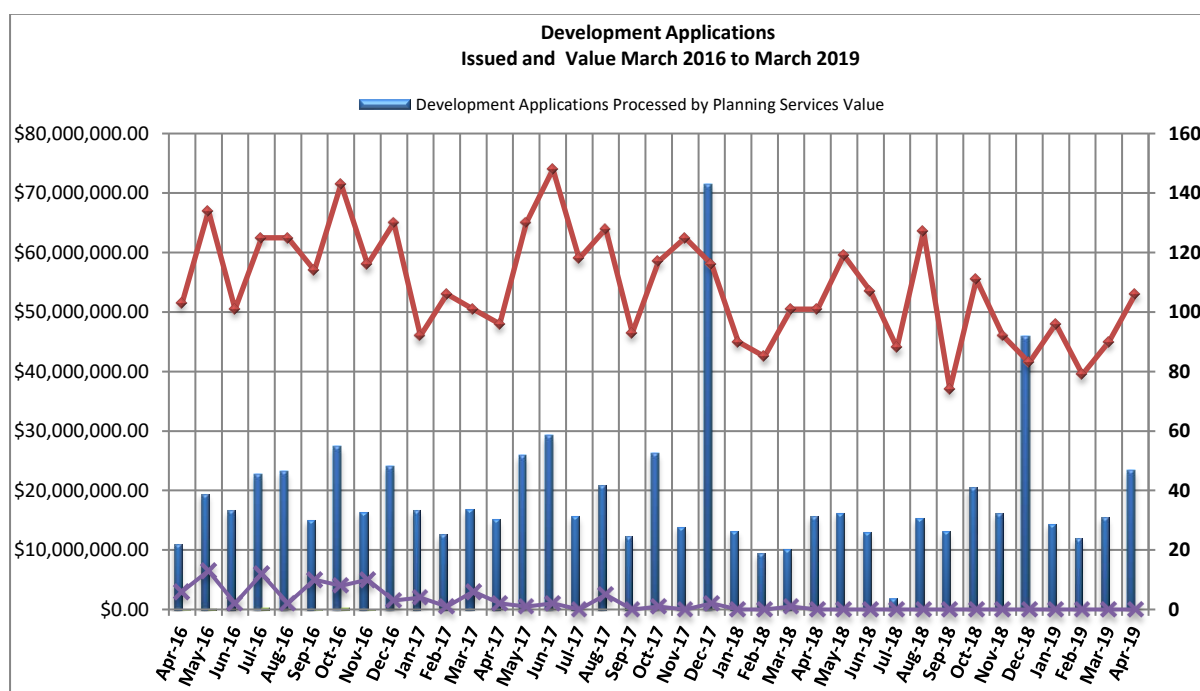
Development applications

The number of development applications determined under delegated authority during March 2019 is shown in the table below:

	Number	Value (\$)
Development applications processed by Planning Services	90	\$15,517,921
TOTAL	90	\$15,517,921

Of the 90 development applications 21 were for new dwelling developments in housing opportunity areas, proposing a total of 27 additional dwellings.

The total number and value of development applications determined between March 2016 and March 2019 is illustrated in the graph below:



The number of development applications received during March 2019 was 90.

The number of development applications current at the end of March was 270. Of these, 38 were pending further information from applicants and 22 were being advertised for public comment.

In addition to the above, 217 building permits were issued during the month of March with an estimated construction value of \$23,568,090.

Issues and options considered

Not applicable.

Legislation / Strategic Community Plan / Policy implications

Legislation	<i>City of Joondalup Local Planning Scheme No. 3. Planning and Development (Local Planning Schemes) Regulations 2015.</i>
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Strategic Community Plan

Key theme	Quality Urban Environment.
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Objective	Quality built outcomes.
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Strategic initiative	Buildings and landscaping is suitable for the immediate environment and reflect community values.
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Policy	Not applicable. All decisions made under delegated authority have due regard to any of the City's policies that may apply to the particular development.
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Clause 82 of schedule 2 of the Regulations permits the local government to delegate to a committee or to the local government CEO the exercise of any of the local government's powers or the discharge of any of the local government's duties. Development applications were determined in accordance with the delegations made under Clause 82 of schedule 2 of the Regulations.

All subdivision applications were assessed in accordance with relevant legislation and policies, and a recommendation made on the applications to the Western Australian Planning Commission.

Risk management considerations

The delegation process includes detailed practices on reporting, checking and cross checking, supported by peer review in an effort to ensure decisions taken are lawful, proper and consistent.

Financial / budget implications

A total of 90 development applications were determined for the month of March with a total amount of \$55,955.18 received as application fees.

All figures quoted in this report are exclusive of GST.

Regional significance

Not applicable.

Sustainability implications

Not applicable.

Consultation

Consultation may be required by the provisions of the R-Codes, any relevant policy and/or LPS3 and the Regulations.

COMMENT

Large local governments utilise levels of delegated authority as a basic business requirement in relation to town planning functions. The process allows for timeliness and consistency in decision-making for rudimentary development control matters. The process also allows the elected members to focus on strategic business direction for the Council, rather than day-to-day operational and statutory responsibilities.

All proposals determined under delegated authority are assessed, checked, reported on and cross checked in accordance with relevant standards and codes.

VOTING REQUIREMENTS

Simple Majority.

MOVED Mayor Jacob, SECONDED Cr Jones that Council NOTES the determinations and recommendations made under delegated authority in relation to the:

- 1 development applications described in Attachment 1 to Report CJ046-05/19 during March 2019;**
- 2 subdivision applications described in Attachment 2 to Report CJ046-05/19 during March 2019.**

The Motion was Put and CARRIED (12/0) by Exception Resolution after consideration of CJ069-05/19, page 219 refers.

In favour of the Motion: Mayor Jacob, Crs Chester, Dwyer, Fishwick, Hollywood, Jones, Logan, McLean, May, Norman, Poliwka and Taylor.

Appendix 1 refers

To access this attachment on electronic document, click here: [Attach1brf190514.pdf](#)

CJ047-05/19 DEVELOPMENT APPLICATION FOR 13 MULTIPLE DWELLINGS AT LOTS 102 AND 103 (4 AND 6) BRECHIN COURT, DUNCRAIG

WARD	South		
RESPONSIBLE DIRECTOR	Ms Dale Page Planning and Community Development		
FILE NUMBER	14055, 15489, 101515		
ATTACHMENTS	Attachment 1	Location Plan	
	Attachment 2	Development Plans	
	Attachment 3	Development Perspectives	
	Attachment 4	Applicant's Submission	
	Attachment 5	Environmentally Sustainable Design Checklist	
AUTHORITY / DISCRETION	Administrative - Council administers legislation and applies the legislative regime to factual situations and circumstances that affect the rights of people. Examples include town planning applications, building licences and other decisions that may be appealable to the State Administrative Tribunal.		

PURPOSE

For Council to determine a development application for 13 multiple dwellings at Lots 102 and 103 (4 and 6) Brechin Court, Duncraig.

EXECUTIVE SUMMARY

The subject site is zoned 'Residential R20/60' under the City's *Local Planning Scheme No. 3* (LPS 3).

An application for development approval was received on 24 July 2018 for 13 multiple dwellings across two land parcels - Lots 102 and 103 (4 and 6) Brechin Court, Duncraig. The application was reviewed by the Joondalup Design Reference Panel on 17 October 2018 and, following amendments, again on 30 January 2019.

The application was advertised for a period of 14 days, concluding on 3 April 2019. Seventy objections and a petition against the development were received.

In response to concerns raised, the plans were amended to reduce the areas of discretion where assessment is sought against the design principles of Part 6 of the *Residential Design Codes* (versus assessment against the deemed-to-comply requirements). These areas of discretion relate to wall height, lot boundary setbacks, site works, street walls / fences and dwelling size.

It is considered that the proposed development satisfies the relevant design principles, as detailed in the report below. It is therefore recommended that Council approves the application, subject to conditions.

BACKGROUND

Suburb/Location	Lot 102 (4) Brechin Court and Lot 103 (6) Brechin Court, Duncraig.
Applicant	Danmar Developments.
Owner	D and G Harris and C and R Lander.
Zoning	LPS Residential R20/60.
	MRS Urban.
Site area	1,511m ² (combined).
Structure plan	Not applicable.

Brechin Court is a cul-de-sac, accessed off Methuen Way. The subject site includes two freehold lots which are currently occupied by two, single storey dwellings. The site is located mid-way into the cul-de-sac and is bounded by residential zoned land (existing single storey dwellings) to the north, south and east, and Brechin Court to the west. Warwick Train Station is within walking distance. A location plan is provided as Attachment 1 to Report CJ047-05/19.

The subject site is located within Housing Opportunity Area 1 and has a dual density code of R20/60. Some redevelopment has occurred in the locality, mainly single and two storey grouped dwelling developments and two storey multiple dwelling developments. The City has received and is currently assessing a Joint Development Assessment Panel application for a three storey 16 multiple dwelling development on the adjoining site at 8 and 10 Brechin Court.

The difference in levels within the development site from the front (south-western) corner to the rear (north-eastern) corner is an upwards slope of approximately 2.4 metres.

State Planning Policy 7: Design for the Built Environment

On 18 February 2019, the first stage of *State Planning Policy 7: Design of the Built Environment* (commonly known as Design WA) was released and will become operational on 24 May 2019. One of the documents released as part of the first stage is *State Planning Policy 7.3: R-Codes Volume 2 – Apartments* (SPP7.3), which will replace the current Part 6 of the *Residential Design Codes* (R-Codes).

The Department of Planning, Lands and Heritage has advised that, during this transition period, decision-makers should have due regard to SPP 7.3. Some detail has therefore been provided in this report in relation to the acceptable outcomes and element objectives outlined in SPP 7.3.

DETAILS

The proposed development comprises the following:

- A total of 13 apartments over three storeys (12 two bedroom dwellings and one single bedroom dwelling).
- A single vehicle access point from Brechin Court.
- A total of 18 on-site car parking bays covered with carports, with 13 bays allocated to residents and five bays for visitors.
- Two additional verge bays for visitors.

- Internal communal open space with a BBQ, tree and bicycle spaces.
- Communal lift (not visible from Brechin Court).
- Three pedestrian entries to the building; two facing the street and another from the carpark.
- Landscaping in the street setback area, communal spaces around the building and carports, and adjacent to the driveway.
- Visually permeable front fencing around the courtyards facing Brechin Court.
- Detached bin enclosure.
- Store rooms adjacent to the courtyards and balconies of each apartment.
- Associated site works and retaining walls.

The applicant's submission is included as Attachment 4 to Report CJ047-05/19 and the latest development plans and building perspectives are provided in Attachments 2 and 3 to Report CJ047-05/19 respectively.

Joondalup Design Reference Panel (JDRP)

The proposal was first presented to the JDRP at its meeting held on 17 October 2018. The plans showed a two storey development with a pitched roof, exposed / rendered brick walls and 10 two bedroom and three single bedroom dwellings. The JDRP raised numerous concerns with this proposal, in particular the design of the apartments, limited solar access, insufficient landscaping and lack of communal space.

In response, amended plans were submitted and presented to the JDRP at its meeting held on 30 January 2019. These plans showed a three storey development with low pitched skillion roofing and exposed / rendered brick walls. The development was modified from a two-storey to a three-storey development to reduce its building footprint, to increase on-site landscaping and to provide communal open space for residents.

A summary of the JDRP comments from the 30 January 2019 meeting, as well as the applicant's response to these items is included below. It is considered that the amended plans have addressed most of the comments from the JDRP.

Design Reference Panel comment	Applicant response
The plans are an improvement to the original application and the applicant has worked hard to respond to issues raised.	Noted.
The increase in landscaping and provision of communal open space is a good outcome.	Noted.
Query on how the ground floor apartments around the communal open space will interact with the communal open space.	The applicant clarified that there will not be solid privacy screens between the ground floor courtyards and the communal open space. Landscaping will be used to provide some privacy between the private and public spaces.
More tree canopy should be considered as there is space.	Additional trees with canopy cover have been added around residential parking bays.

Design Reference Panel comment	Applicant response
Verge trees are required – at least three. Consider an irrigated native verge rather than turf for a more sustainable outcome.	Three verge trees have been added with mulch and ground cover / native plants.
The southern three storey wall feels imposing on the public realm and needs to be 'softened'.	Landscaping in the form of small-medium sized trees has been introduced to assist in 'softening' the elevation.
The aesthetic of the building requires improvement.	<p>The roof shape was amended to enhance the balcony form. Various textures and contrasting colours have been provided to the southern elevation for increased visual interest.</p> <p>Glazed doors and windows to the front elevation have been replaced with slatted gates and angled louvres.</p>
The large skillion roof exacerbates the height, detracts from the aesthetics and may result in water overflowing into the access walkways. Consider a flat roof with appropriate drainage.	A hip-and-valley roof at a 20 degree pitch has been provided.
Air conditioners on some balconies are not supported.	Noted – Balconies are to be adequately screened from sight. Large balconies allow for the space to be useable with the inclusion of an air conditioner.
The aesthetic of three individual towers facing the street and the second foyer is questionable. Is the second foyer required?	<p>Noted – To remain as three individual towers to provide visual breaks in the overall building form.</p> <p>Enclosed foyers have been replaced with semi-open foyers / landings.</p>
The 0.5 metre wide garden beds are tight but better than the previous garden beds. Trees can be placed in this width of garden bed, as long as there is a wider area of soil underground for roots.	0.5 metre garden beds in the car park areas have been amalgamated into one metre strips to allow for the planting of a small tree. Other 0.5 metre garden beds will allow for shrubs.
Concern with the location of the third floor rear Apartment 13; perhaps this would be better placed adjacent to the Apartment 11, facing the street?	The third floor to remain at the rear block, with the 'building' adjacent to the northern boundary to remain as two storeys.

Design Reference Panel comment	Applicant response
<p>Concern that the development is in two to three parts, separate from the landscape. Need a collective design mentality which has more connection to the landscape.</p> <p>This is particularly important in an area transitioning from single residential to medium density.</p>	<p>The rear apartments are designed around the central courtyard with outdoor living areas of the apartments having direct physical and visual connection with the landscaping.</p> <p>Ground floor walkways are bounded by landscaping that guides the user through the development.</p>
<p>Can the amenity of the main bedroom in the central units be improved?</p>	<p>The bedrooms currently have visual amenity through to the central courtyard, with landscaping immediately in front of the ground floor apartment.</p> <p>Physical separation of walkways provides privacy and welcomes natural light into the rooms.</p>
<p>The location of the bin store is not convenient for residents, getting the rubbish there and then getting the bins to the street.</p> <p>Need to consider the proposed development on the adjoining property to the north, particularly in relation to overshadowing of this site.</p>	<p>The location of the bin store to remain. The applicant does not believe convenience to be an issue as residents will typically be dropping off rubbish during trips to their cars.</p> <p>The applicant has made contact with the designer of the proposed development to the north.</p>

Planning assessment

The table below summarises the areas where assessment is sought against the design principles of Part 6 of the R-Codes and the City's *Residential Development Local Planning Policy* (RDLLPP):

Item	Deemed-to-comply	Proposal	Compliance
<p>Building height</p> <p>(R-Codes cl 6.1.2)</p>	<p>Maximum height of external wall (pitched roof above):</p> <p>Nine metres above natural ground level.</p>	<p>South side:</p> <p>9.89 metres to 9.2 metres to 9.04 metres</p>	<p>0.04 metres to 0.89 metres additional wall height above the deemed-to-comply requirement.</p> <p>9.89 metres where there is a pitched roof as well as the 104 course feature wall (Apartment 12, front corner of living room).</p> <p>9.2 metres where there is a pitched roof above the 96 course wall (above Apartment 12 living room window).</p>

Item	Deemed-to-comply	Proposal	Compliance
			9.04 metres at the corner of Apartment 12 bedroom one.
		North side: 9.11 metres to 8.26 metres	9.11 metres where there is a pitched roof as well as the 104 course feature wall (Apartment 11, front corner of living room). The remainder of the wall is below nine metres.
Lot boundary setbacks (R-Codes cl 6.1.4)	North side: 1 st floor Apartment six: 1.7 metres.	1.5 metres	0.2 metres closer to the boundary than the deemed-to-comply requirement.
Site works (R-Codes cl 6.3.6)	Within three metres of the street: Max 0.5 metres fill above natural ground level.	Fill of between 0.55 metres and 0.94 metres	Apartment three courtyard, retaining and fill over 0.5 metres in height. Walkway in front of Apartment two. Landscaping has been provided to reduce the impact of the retaining walls on the streetscape.
Street walls and fences (R-Codes cl 6.2.2)	Front fences within the primary street setback area that are visually permeable to 1.2 metres above natural ground level.	Portions of solid wall up to 1.8 metres	Short portions of solid wall: – in front of Apartment one for the distribution board – to the side of Apartment two and three courtyards.
Dwelling size (R-Codes cl 6.4.3)	Minimum 20% one bedroom dwellings (three dwellings).	One out of 13 dwellings (7.7%)	The development comprises: One 1 x 1 dwelling. Three 2 x 1 dwellings. Eight 2 x 2 dwellings.

As well as considering the areas of discretion identified in the table above, the following comments have given due regard to SPP 7.3 which was released on 18 February 2019 and comes into operation on 24 May 2019. Comments have been provided for each area of discretion against the relevant acceptable outcomes and element objectives of SPP 7.3.

Building height

The deemed-to-comply requirement of clause 6.1.2 *Building height* of the R-Codes allows for a maximum wall height of nine metres and a roof height of 12 metres where there is a pitched roof above, and a maximum height of 10 metres for a concealed roof.

The proposal has a mix of pitched and concealed roofing. There are portions of wall on the north and south elevations that are greater than nine metres in height and which have a pitched roof above. On the north elevation, the wall height is up to 9.11 metres and on the south elevation where natural ground levels are lower, the wall height is up to 9.89 metres.

Assessment against the relevant design principles of the R-Codes and the acceptable outcomes and element objectives of SPP 7.3 is required to determine the appropriateness of the discretion.

R-Codes design principle P2 of clause 6.1.2 states the following:

Building height that creates no adverse impact on the amenity of adjoining properties or the streetscape, including road reserves and public open space reserves; and where appropriate maintains:

- *adequate access to direct sun into buildings and appurtenant open spaces*
- *adequate daylight to major openings into habitable rooms*
- *access to views of significance*
- *buildings present a human scale for pedestrians*
- *building facades designed to reduce the perception of height through design measures*
- *podium style development is provided where appropriate.*

The acceptable outcomes of SPP 7.3 (Part 2.2: Building height) allow a height of three storeys (12 metres overall) in an R60 area. The development complies with this requirement. The element objectives are as follows:

- *2.2.1 The height of development responds to the desired future scale and character of the street and local area, including existing buildings that are unlikely to change.*
- *2.2.2 The height of buildings within a development responds to changes in topography.*
- *2.2.3 Development incorporates articulated roof design and / or roof top communal open space where appropriate.*
- *2.2.4 The height of development recognises the need for daylight and solar access to adjoining and nearby residential development, communal open space and in some cases, public spaces.*

Considering the design principles and element objectives, the three storey height is set back a considerable distance from the north and south side boundaries, reducing overshadowing, overlooking and bulk impacts on the amenity of the adjoining properties.

It is noted that the three storey component extends to within 2.1 metres of the rear (eastern) boundary, however the setback complies with the lot boundary setback deemed-to-comply requirements of the R-Codes and it is for a short length of wall only (7.94 metres) across a 49.87 metre long rear boundary. The first and second floor windows facing east are bathroom windows and a highlight window, and therefore meet the deemed-to-comply requirements in terms of overlooking.

With regard to the streetscape, the front facade has a concealed roof and complies with the 10 metre height deemed-to-comply requirement.

Issues were raised during community consultation that the three storey height is incompatible with existing development. However, with an R60 coding under the current planning framework, this is the intended scale of development. Furthermore, the plot ratio is less than that permitted as a deemed-to-comply requirement (0.64 proposed in-lieu of 0.7). To manage the impact of height, the building steps down to two storeys adjacent to the north side boundary. Landscaping, including trees, is proposed within the front setback, on the verge and adjacent to the south elevation to soften the height and bulk impact of the development on the street.

The portions of wall which are higher than the deemed-to-comply standards are mainly where the feature front facade walls extend around to the side elevations and where there is a pitched roof above. The previous plans submitted to the JDRP in January 2019 showed skillion roofing extending across the development. The JDRP did not support this roof form, noting that it exacerbated the height and detracted from the aesthetics of the building and suggested that a flat roof may be an improvement. In response, a flat roof has been incorporated into the front facade and a hip and valley roof at 20 degree pitch for the remainder, which is more compatible with existing development in the locality. The amended plans also show use of various textures and contrasting colours on the southern elevation to reduce any bulk impacts of this wall.

The fence and balcony balustrade facing the street are visually permeable, allowing interaction between the development and the street. It is noted that the building is in close proximity to the front boundary (minimum two metres), however, this complies with the current deemed-to-comply requirements of the R-Codes and with Design WA requirements.

In view of the above, it is considered that the proposed height of the development meets the relevant design principles of the R-Codes, and is therefore supported.

Lot boundary setback

The northern side of Apartment six (first floor) is set back closer to the north side boundary than the deemed-to-comply requirements of clause 6.1.4 *Lot boundary setbacks* of the R-Codes (1.5 metres in-lieu of 1.7 metres).

Consideration against the relevant design principles of the R-Codes and the acceptable outcomes and element objectives of SPP 7.3 is required to determine the appropriateness of the proposed setback.

Design principle P4.1 of clause 6.1.4 states the following:

Buildings set back from boundaries or adjacent buildings on the same lot so as to:

- *ensure adequate daylight, direct sun and ventilation for buildings and the open space associated with them*
- *moderate the visual impact of building bulk on a neighbouring property*
- *ensure access to daylight and direct sun for adjoining properties*
- *assist with the protection of privacy between adjoining properties.*

The acceptable outcomes of SPP 7.3 (Part 2.4: Side and rear setbacks) require a minimum setback of three metres from the side and rear boundaries. The element objectives are as follows:

- *2.4.1 Building boundary setbacks provide for adequate separation between neighbouring properties.*
- *2.4.2 Building boundary setbacks are consistent with the existing streetscape pattern or the desired streetscape character.*
- *2.4.3 The setback of development from side and rear boundaries enables retention of existing trees and provision of deep soil areas that reinforce the landscape character of the area, support tree canopy and assist with stormwater management.*
- *2.4.4 The setback of development from side and rear boundaries provides a transition between sites with different land uses or intensity of development.*

The development has been stepped down to two storeys adjacent to the north boundary, to allow for increased sunlight to other parts of the development. It is noted that the affected property is located north of the subject site and therefore the reduced setback will not have a significant impact on access to indirect light or direct sunlight for the adjacent property. The north elevation of the development is broken up by the communal open space. This space enables the provision of deep soil areas and a large tree to reinforce the landscaped character of the area and assist with stormwater management. The open space also provides adequate separation between the properties and relief from building bulk.

The incoming SPP 7.3 requires a minimum setback of three metres from the side and rear boundaries, which is greater than that proposed. However, it is noted that this three metre setback could apply to a three storey wall for the full length of the building, which is considered to potentially have more impact than the outcome proposed in this instance.

Overall, given the two storey height of the building adjacent to the northern elevation and the location of the communal open space adjacent to the northern boundary, it is considered that the proposed setback of the development from the northern boundary meets the relevant design principles of the R-Codes and is therefore supported.

Site works

The deemed-to-comply requirement of clause 6.3.6 *Site works* of the R-Codes requires excavation or filling between the street and the building to not exceed 0.5 metres, except where necessary to provide pedestrian or vehicle access, drainage works or natural light for a dwelling. The front setback area includes site works and retaining walls over 0.5 metres in height for Apartment three courtyard (maximum of 0.94 metres) and the walkway in front of Apartment two (maximum of 0.55 metres).

Consideration against the relevant design principles of the R-Codes and the acceptable outcomes and element objectives of SPP 7.3 is required to determine the appropriateness of the discretion.

Design principles P6.1 and 6.2 of clause 6.3.6 states the following:

- P6.1 Development that considers and responds to the natural features of the site and requires minimal excavation / fill.*
- P6.2 Where excavation/fill is necessary, all finished levels respecting the natural ground level at the lot boundary of the site and as viewed from the street.*

The acceptable outcomes of SPP7.3 (Part 3.6: Public domain interface) require the majority of ground floor dwellings fronting a street to have direct access by way of a private terrace, balcony or courtyard, and changes in level between private terraces, front gardens and the ground floor level of the building and the street level to average less than one metre and to not exceed 1.2 metres. The element objectives are as follows:

- *3.6.1 The transition between the private and public domain enhances the privacy and safety of residents.*
- *3.6.2 Street facing development and landscape design retains and enhances the amenity and safety of the adjoining public domain, including the provision of shade.*

The finished levels are proposed to provide consistency across the whole site and to also ensure that the ramp complies with the relevant accessibility requirements. In front of Apartment three courtyard, the site works have been terraced and landscaping will assist in softening the bulk of the retaining walls. Next to the walkway in front of Apartment two, there will also be landscaping.

It is preferable that the ramp remains to provide an accessible travel path from the street to the building entrance as well as from the car park to the building entrance. Site works do not exceed a height of one metre and two out of three street facing courtyards have direct access to the street.

In view of the above comments, it is considered that the proposed site works meet the relevant design principles of the R-Codes and are therefore supported. Conditions of approval are recommended to ensure the landscaping adjacent to the retaining walls and within the front setback area is sufficient, is installed prior to occupation and is maintained thereafter.

Street walls and fences

The deemed-to-comply requirement of clause 6.2.2 *Street walls and fences* of the R-Codes requires front fences within the front setback area to be visually permeable above 1.2 metres from natural ground level. The plans show mainly low solid walls with open rail balustrade above, however there are short portions of higher solid walls on the sides of the courtyards and around the distribution board adjacent to the north side boundary within the front setback area.

Consideration against the relevant design principles of the R-Codes and the acceptable outcomes and element objectives of SPP 7.3 is required to determine the appropriateness of the discretion.

Design principle P2 of clause 6.2.2 states the following:

P2 Front fences to enable surveillance and enhance streetscape.

The acceptable outcomes of SPP7.3 (Part 3.6: Public domain interface) requires balustrading to include a mix of visually opaque and visually permeable materials to provide residents with privacy while maintaining casual surveillance of adjoining public domain areas, and front fencing to include visually permeable materials above 1.2 metres. In addition, fencing, landscaping and other elements on the frontage should be designed to eliminate opportunities for concealment and services and utilities located in the front setback should be integrated into the design of the development and not detract from the amenity and visual appearance of the street frontage.

The element objectives are as follows:

- *3.6.1 The transition between the private and public domain enhances the privacy and safety of residents.*
- *3.6.2 Street facing development and landscape design retains and enhances the amenity and safety of the adjoining public domain, including the provision of shade.*

The development as a whole presents an open interface between the apartments and the public domain, and the sections of solid wall do not detract from the amenity and visual appearance of the street frontage. It is considered, however, that the density and spacing of landscaping within the front setback area and on the verge, shown on the perspectives, could be improved to provide a more attractive setting for the building and to provide additional screening of the solid portions of wall from the street.

In view of the above, it is considered that the proposed solid walls within the front setback area meet the relevant design principles of the R-Codes and are therefore supported. Conditions of approval are recommended to ensure the landscaping within the front setback area and on the verge is sufficient, and that the infill panels of the balustrade are visually permeable.

Dwelling size

The deemed-to-comply requirement of clause 6.4.3 *Dwelling size* of the R-Codes requires developments of more than 12 dwellings to provide at least 20% one bedroom dwellings. The proposal includes one single bedroom dwelling, equating to 7.7% of dwellings in the development.

Consideration against the relevant design principles of the R-Codes and the acceptable outcomes and element objectives of SPP 7.3 is required to determine the appropriateness of the discretion.

Design principle P3 of clause 6.4.3 states:

Each dwelling within the development is of a sufficient size to cater for the needs of the residents. The development must provide diversity in dwellings to ensure that a range of types and sizes is provided.

The acceptable outcomes of SPP 7.3 (Part 4.8: Dwelling mix) require developments of greater than 10 dwellings to include at least 20 per cent of apartments of differing bedroom numbers. The element objective is as follows:

- *4.8.1 A range of dwelling types, sizes and configurations is provided that caters for diverse household types and changing community demographics.*

The applicant has justified the proposed dwelling diversity as follows:

The dwelling diversity layout presented was to make the development commercially viable in today's market for our developer. In lieu of 1 x 1 apartments making up 20%, we allowed for one 1 x 1, three 2 x 1 and eight 2 x 2 apartments. This gives greater diversity throughout the development and allows three options in lieu of two for the buyer to choose from.

By virtue of the development being an apartment building, the dwelling type offered will provide diversity within a suburb that is predominantly detached housing. The shortfall of one bedroom dwellings is therefore not of significant concern to the City.

Overall, in view of the above comments, the proposed mix of dwelling size is considered to satisfy the relevant design principles and is therefore supported by the City.

Parking

Number of parking spaces

The following table summarises the parking assessment. The site is 'Location A' under the R-Codes as it is located approximately 130 metres from Warwick Train Station.

	Part 6 Deemed-to-comply	SPP 7.3 Acceptable outcomes	Proposal
Car parking			
Resident	Location A: <110m ² and / or one or two bedrooms. One bay per dwelling. 13 bays required.	Location A: One bedroom: 0.75 bay per dwelling. Two bedroom: One bay per dwelling. 12.75 (13) bays required. Maximum cannot exceed double the minimum.	Complies. 13 bays.
Car parking			
Visitor	0.25 bays per dwelling (3.25 (four) bays required), however, the City's RDLLP requires 0.5 visitor bays per dwelling, equating to 6.5 (seven) bays required.	One bay per four dwellings up to 12 dwellings. One bay per eight dwellings for the 13 th dwelling and above. Four bays required.	Complies. Five on site visitor bays + two verge bays.
Bicycle parking			
Resident	One space per three dwellings. 4.33 (five) spaces required.	0.5 space per dwelling. 6.5 (seven) spaces required.	Complies with R-Codes. Six spaces (adjacent to the communal space).
Visitor	One space per 10 dwellings. Two spaces required.	One space per 10 dwellings. Two spaces required.	Complies. Two spaces (adjacent to the communal open space).

Design of car parking spaces

The R-Codes deemed-to-comply requirements of clause 6.3.4 *Design of car parking spaces* require visitor parking spaces to be located close to or visible from the point of entry to the development and outside any security barrier. The relevant acceptable outcome of SPP 7.3 (Part 3.9: Car and bicycle parking, clause A3.9.7) states:

Visitor parking is clearly visible from the driveway, is signed 'Visitor Parking' and is accessible from the primary entry or entries.

The plans show visitor parking located close to the building entrance and not behind security barriers. Visitor parking will be visible from the driveway and a condition is recommended to ensure the bays are signed.

The two verge parking bays are additional to the R-Codes and SPP 7.3 requirements and are provided to satisfy the requirements of the City's RDLPP. However, the requirements relating to multiple dwellings contained within the City's RDLPP will be superseded by SPP 7.3 when it becomes operational on 24 May 2019.

The issue of increased traffic resulting in safety issues and lack of space for visitor parking on the cul-de-sac of Brechin Court was raised during community consultation. Removing the verge visitor bays is an option for Council to consider. This would confine all vehicle movements associated with the development to a single point and provide additional space for verge landscaping. However, it is recommended that the verge visitor bays be retained as part of this development to ensure that the amount of visitor parking provided satisfies the requirements of the current planning framework.

Another issue raised during consultation was that the provision of carports over garages results in a low cost / low quality development. There is no requirement specifying garages over carports. Through the JDRP process landscaping, including trees, has been included within the car park to reduce hardstand and provide tree canopy. The bulk of the car park is behind the building and therefore not visually prominent from the street.

Overall, the City considers that the on-site parking provision is acceptable and is therefore supported.

Waste management

The relevant acceptable outcomes of SPP 7.3 (Part 4.17: Waste management) state that:

- the required number of green waste, general waste and recycling bins, waste storage facilities and a Waste Management Plan are to be provided in accordance with WALGA (or local government) guidelines
- communal waste storage is sited and designed to be screened from view from the street, open space and private dwellings.

The plans show a bin store in the rear (south-eastern) corner of the site and a bin presentation area on the verge, adjacent to the crossover. Residents will share bins and wheel them to and from the street for collection. Based on WALGA guidelines, the maximum number of bins presented will be 12, eight general waste and four recycling or green bins.

In this instance, collection from the street rather than entering private property is preferred due to the narrow crossover and driveway and the distance of more than 30 metres between the bin store and the street. The presentation area shown on the plan is for 20 bins so this hardstand can be reduced to accommodate 12 bins and allow additional landscaping to be provided. A condition is recommended in this regard. A standard condition is also recommended, requiring a Waste Management Plan to be submitted and approved by the City prior to occupation of the development.

Landscaping

The deemed-to-comply requirement of clause 6.1.5 *Open space* of the R-Codes requires a minimum of 45% of the site to be open space and clause 6.3.2 *Landscaping* of the R-Codes requires at least 50% of the front setback area to be landscaped. The plans show 50% of the site as open space and 55% of the front setback area landscaped.

The landscaping provision has also been assessed against the acceptable outcomes and element objectives of SPP 7.3. SPP 7.3 does not have specific requirements for open space. Rather an assessment is made on tree canopy, deep soil areas and communal open space. This is summarised in the table below.

	SPP 7.3	Proposal
Tree canopy	One large tree and two medium trees. or One large tree and small trees to suit area.	On site: Two medium trees (one Gleditsia, one Chinese Pistachio). One small Tallow tree. Five ('small') Capital Pear trees (Nine metres height but narrow canopy). 23 small Oakville Crimson Spire trees (narrow canopy). Verge: Three trees (Two Tallow trees and one Capital Pear tree).
Deep soil area	10% of site area (151m ²).	Not specifically indicated but on-site landscaping areas total approximately 285m ² (18%).
Communal open space	Total 6m ² per dwelling (that is 78m ²), max 300m ² . Minimum hardstand of 2m ² per dwelling (that is 26m ²) up to 100m ² .	Communal space is greater than 78m ² (approximately 137m ²). Space is mainly grassed but there are pathways around.

The landscape provision is more than the R-Code requirements and, subject to the provision of a landscape plan in accordance with SPP 7.3 and modification of a medium tree to a large tree, would also satisfy the requirements of SPP 7.3. A landscape condition is recommended, requiring more planting in the front setback area and a reduction in the bin hardstand area and replacement with landscaping in accordance with comments above. A mulched verge with native plants rather than a grassed verge was preferred by the JDRP for a more water wise outcome.

During community consultation, the removal of existing vegetation and replacement with concrete was raised as an issue. The site survey indicates that there is no significant tree canopy, but the hard surface footprint of the proposed development is greater than the existing two dwellings. The proposed area of open space has increased following initial review by the JDRP in response to the comments of the JDRP.

Overall, with the recommended conditions, the development generally satisfies the relevant current and incoming requirements for landscaping of multiple dwellings and is therefore supported.

Issues and options considered

Council is required to determine whether the proposed development of 13 multiple dwellings at Lots 102 and 103 (4 and 6) Brechin Court, Duncraig is appropriate.

Council may determine an application for development approval by:

- granting development approval without conditions
- granting development approval with conditions
or
- refusing to grant development approval.

Legislation / Strategic Community Plan / Policy implications

Legislation *City of Joondalup Local Planning Scheme No. 3 (LPS3).
Planning and Development (Local Planning Schemes) Regulations
2015 (Regulations).*

Strategic Community Plan

Key theme Quality Urban Environment.

Objective Quality built outcomes.

Strategic initiative Building and landscape is suitable for the immediate environment
and reflect community values.

Policy *Residential Development Local Planning Policy.
Environmentally Sustainable Design Policy.*

Local Planning Scheme No.3

Clause 16 (2) of LPS 3 sets out the objectives for development within the 'Residential' zone:

- *To provide for a range of housing and a choice of residential densities to meet the needs of the community.*
- *To facilitate and encourage high quality design, built form and streetscapes throughout residential areas.*
- *To provide for a range of non-residential uses, which are compatible with and complementary to residential development.*

Clause 26 (5) of LPS 3 states:

Clause 5.1.1 of the R-Codes is modified by inserting the additional 'deemed-to-comply' criteria:

C1.5 *In areas where dual coding applies, site areas under the higher coding may be applied subject to the following:*

- (i) *Development which complies with a minimum frontage of 10 metres at the setback line, with the exception of multiple dwelling sites; or*

- (ii) *Development of multiple dwelling sites which complies with a minimum site width of 20 metres at the street boundary.*

Planning and Development (Local Planning Schemes) Regulations 2015

Clause 67 of Schedule 2 of the Regulations sets out the matters to be considered by Council when determining an application for development approval.

In considering an application for development approval the local government is to have due regard to the following matters to the extent that, in the opinion of the local government, those matters are relevant to the development the subject of the application —

- (a) *the aims and provisions of this Scheme and any other local planning scheme operating within the Scheme area;*
- (b) *the requirements of orderly and proper planning including any proposed local planning scheme or amendment to this Scheme that has been advertised under the Planning and Development (Local Planning Schemes) Regulations 2015 or any other proposed planning instrument that the local government is seriously considering adopting or approving;*
- (c) *any approved State planning policy;*
- (d) *any environmental protection policy approved under the Environmental Protection Act 1986 section 31(d);*
- (e) *any policy of the Commission;*
- (f) *any policy of the State;*
- (g) *any local planning policy for the Scheme area;*
- (h) *any structure plan, activity centre plan or local development plan that relates to the development;*
- (i) *any report of the review of the local planning scheme that has been published under the Planning and Development (Local Planning Schemes) Regulations 2015;*
- (j) *in the case of land reserved under this Scheme, the objectives for the reserve and the additional and permitted uses identified in this Scheme for the reserve;*
- (k) *the built heritage conservation of any place that is of cultural significance;*
- (l) *the effect of the proposal on the cultural heritage significance of the area in which the development is located;*
- (m) *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 including, but not limited to, the likely effect of the height, bulk, scale, orientation and appearance of the development;*
- (n) *the amenity of the locality including the following —*
 - (i) *environmental impacts of the development;*
 - (ii) *the character of the locality;*
 - (iii) *social impacts of the development;*

- (o) *the likely effect of the development on the natural environment or water resources and any means that are proposed to protect or to mitigate impacts on the natural environment or the water resource;*
- (p) *whether adequate provision has been made for the landscaping of the land to which the application relates and whether any trees or other vegetation on the land should be preserved;*
- (q) *the suitability of the land for the development taking into account the possible risk of flooding, tidal inundation, subsidence, landslip, bush fire, soil erosion, land degradation or any other risk;*
- (r) *the suitability of the land for the development taking into account the possible risk to human health or safety;*
- (s) *the adequacy of —*
 - (i) *the proposed means of access to and egress from the site; and*
 - (ii) *arrangements for the loading, unloading, manoeuvring and parking of vehicles;*
- (t) *the amount of traffic likely to be generated by the development, particularly in relation to the capacity of the road system in the locality and the probable effect on traffic flow and safety;*
- (u) *the availability and adequacy for the development of the following —*
 - (i) *public transport services;*
 - (ii) *public utility services;*
 - (iii) *storage, management and collection of waste;*
 - (iv) *access for pedestrians and cyclists (including end of trip storage, toilet and shower facilities);*
 - (v) *access by older people and people with disability;*
- (v) *the potential loss of any community service or benefit resulting from the development other than potential loss that may result from economic competition between new and existing businesses;*
- (w) *the history of the site where the development is to be located;*
- (x) *the impact of the development on the community as a whole notwithstanding the impact of the development on particular individuals;*
- (y) *any submissions received on the application;*
- (za) *the comments or submissions received from any authority consulted under clause 66;*
- (zb) *any other planning consideration the local government considers appropriate.*

Residential Development Local Planning Policy

The overall objectives of this policy are to encourage the following:

- *An improved streetscape outcome, which is attractive and enhances and complements the visual character, bulk and scale of the surrounding built form.*
- *High quality built development outcomes in relation to building design and site layout.*

- *Residential subdivision and development with safe, functional and attractive access arrangements in and out of sites, which contribute to the overall aesthetics of developments.*
- *New development that is designed having regard to the issue of crime prevention and surveillance of the street and housing entrances.*
- *Varying density development, inclusive of development within dual density coded areas that are integrated into the surrounding built environment.*

Risk management considerations

The applicant has a right of review against the Council's decision, or any conditions included therein, in accordance with the *State Administrative Tribunal Act 2004* and the *Planning and Development Act 2005*.

Financial / budget implications

The applicant has paid fees of \$7,985 in accordance with the Schedule of Fees and Charges, for assessment of the application.

Regional significance

Not applicable.

Sustainability implications

The applicant has completed the City's Environmentally Sustainable Design Checklist to the extent that it is applicable to the development. The applicant has indicated that the following will be achieved as part of the development:

- Retention of natural landforms / topography.
- North-western orientated development, sufficient thermal mass, insulation and draught sealing, floor plan zoning based on water and heating needs and advanced glazing solutions.
- Natural and / or fan forced ventilation.
- Water efficient technologies.

Consultation

Public consultation

The application was advertised for a period of 14 days, commencing on 20 March 2019 and concluding on 3 April 2019. Consultation was undertaken in the following manner:

- A letter was sent to owners and occupiers of 40 properties in the vicinity of the subject site.
- One sign was installed on site.
- Development plans were made available for public viewing on the City's website and at the City's administration building.

Seventy submissions and a petition signed by 63 persons were received during the advertising period, with all submissions and the petition objecting to the development.

The submissions are based on plans that have since been amended by the applicant, following community feedback received. Compared with the advertised plans, the amended plans have:

- reduced the finished ground level of the bin store, to comply with the site works and retaining wall deemed-to-comply requirements of the R-Codes
- provided another level of retaining and landscaping in front of Apartment three courtyard to reduce bulk impacts of the retaining wall
- modified windows and balconies so the development complies with the visual privacy deemed-to-comply requirements of the R-Codes
- modified the roof line of the eastern carport so the setback from the eastern boundary complies with the deemed-to-comply requirements of the R-Codes
- replaced a portion of Apartment one solid courtyard fencing facing the street with visually permeable fencing
- increased the setback of the development from the street to a minimum of two metres in compliance with the deemed-to-comply requirements of the R-Codes
- increased the driveway width/manoeuvring depth of visitor bays One to Four from 5.5 metres to 5.8 metres.

The main issues raised in the submissions are summarised in the table below.

Issue raised	Officer's comments
Building size and height	
<p>Oppose the size of the development due to the size and nature of the small cul-de-sac.</p> <p>Development is not in keeping with the scale and character of original and developed properties in the area.</p> <p>Development will appear out of proportion in the street. The streetscape will be unbalanced and lack visual appeal.</p> <p>Development is incompatible with its setting and does not respect adjoining development and the existing streetscape.</p> <p>Additional height exacerbates concerns with overlooking, excessive noise, overshadowing and general amenity.</p>	<p>Three storeys is permitted within the current (and future Design WA) framework for the density coding of R60.</p> <p>The development complies with the plot ratio deemed-to-comply requirements of the current R-Codes (and future Design WA), with a plot ratio of 0.64 in lieu of a maximum of 0.7.</p> <p>The development complies with the visual privacy and solar access for adjoining sites deemed-to-comply requirements of the R-Codes.</p> <p>Further details are provided in the officer's comments above.</p>
Lot boundary setbacks	
<p>Reduced lot boundary setbacks:</p> <ul style="list-style-type: none"> • adds bulk and scale • increases overshadowing • increases noise and a loss of audio and visual privacy and • is not in character with the streetscape. 	<p>Amended plans have been submitted such that there is now only one lot boundary setback discretion of 0.2 metres to the north side boundary which is considered to meet the relevant design principles of the R-Codes.</p> <p>Further details are provided in the officer's comments above.</p>

Landscaping	
<p>Vegetation will be diminished, areas of hard, artificial surfaces will increase.</p> <p>Too much concrete and not enough landscaping, resulting in a heat effect and adding to the unpleasant look of the property.</p> <p>The communal open space will be overshadowed by the neighbouring proposed development.</p>	<p>Noted. When the JDRP first reviewed the plans in October 2018, concern was raised regarding the lack of landscaping, including trees, within the site.</p> <p>In response, the plans were modified to increase garden beds and trees throughout the site.</p> <p>The latest plans show eight main trees and 23 smaller trees within the site, and three street trees and a mulched verge with natives, a preference of the JDRP over turf.</p> <p>It is noted that the communal open space is located on the north side and could be affected by development on the adjoining site, however, the applicant will have to ensure tree and plant species are appropriate for the conditions.</p> <p>The landscaping condition imposed requires landscaping to be installed and maintained to the satisfaction of the City.</p> <p>Further details are provided in the officer's comments above.</p>
Precedent	
<p>Every time a development is approved with a large number of discretions, it sets a new benchmark for future developments in the HOA.</p>	<p>Each application is assessed on its individual merits against the relevant planning framework.</p> <p>To address the concerns raised during public consultation, the latest plans show fewer discretions than the advertised plans as outlined above.</p>
Building appearance	
<p>Bulky development with no redeeming architectural quality.</p> <p>The materials, colours and shapes / detailing used for the property, particularly the front balconies looks old fashioned and low value.</p>	<p>The plans have been reviewed by the JDRP, the City's independent design advisory panel.</p> <p>The plans have been modified on two occasions to address comments and recommendations made by the JDRP, including the appearance of the building.</p>

Traffic and pedestrian safety	
<p>In combination with the other proposed multiple dwelling development, four dwellings will be replaced with 29 dwellings, significantly increasing traffic in a small, narrow cul-de-sac.</p> <p>With the increased volume of traffic, kids will not be able to play in the street. The City will be blamed for negligence if there are accidents.</p>	<p>If approved and constructed, there will be increased traffic within Brechin Court and the surrounding streets, however the existing road network has the capacity to accommodate the additional traffic volumes.</p> <p>There is one vehicular access to the site. This access is narrow which will effectively slow vehicles to reduce / avoid conflicts.</p> <p>The access is not gated and has no sightline issues. Vehicles will be exiting in forward gear and the crossover is 5 to 5.3 metres wide and can therefore accommodate a vehicle before entering the street.</p> <p>The proposal has been reviewed from a traffic and vehicle safety perspective. No issues were identified with the exception of an increase in the crossover width to 4.0 metres to provide more space for two-way access.</p>
Visitor parking	
<p>Lack of visitor parking will lead to overflow parking within surrounding streets.</p> <p>Visitor parking bays are tricky to get into with a 5.5 metres wide driveway.</p> <p>Bicycle parking is only within locked gates.</p>	<p>The development satisfies visitor parking requirements. The R-Codes (and Design WA) requires four visitor parking bays. The plans show five on-site and two verge bays to satisfy the requirements of the City's RDLLP.</p> <p>Following consultation, the plans have been amended to show a wider manoeuvring space for visitor bays 1 to 4.</p> <p>Bicycle parking for residents and visitors is provided within the communal open space and will be sheltered by the overhanging floor above.</p> <p>Further details are provided in the officer's comments above.</p>
Car park	
<p>The carpark is a throw-back from the 1970s. Something more fitting and secure would be advisable. Barriers need to be inserted along the south fence line due to a pool being below the area of cars reversing.</p>	<p>The R-Codes require visitor parking bays to be in front of any security barrier and do not include any requirements for bays to be provided within a garage.</p> <p>It is preferable from a streetscape perspective that the majority of the car park is at the rear of the site, away from street view.</p>

Dwelling design	
<p>These are low quality apartments with small living spaces, no enclosed garages and designed primarily for investors.</p> <p>No noise reduction measures to mitigate freeway noise with each apartment having balconies; noise transmission between apartments.</p> <p>Development will reduce the value of nearby properties.</p> <p>Looks like a block of flats not a boutique apartment complex – not fitting with the local area.</p>	<p>The impact on property values is not a valid planning consideration.</p> <p>Modifications to the design and orientation of the dwellings to improve their amenity have been undertaken in response to concerns raised by the JDRP.</p> <p>A condition is recommended to require notifications on the titles to advise future residents of potential noise relating to the proximity to the freeway and railway.</p>
Visual privacy	
<p>There are windows on the southern side of the development looking into our rear garden and entertaining area.</p>	<p>The latest plans include windows facing south, however the windows are set back a minimum of 11.5 metres from the southern side boundary and therefore comply with the deemed-to-comply requirements of the R-Codes.</p>
Solar access for adjoining sites	
<p>We will be in shade all winter due to the size of the proposed development.</p>	<p>The location of the building, and in particular the third storey, has been positioned to reduce overshadowing impact on the adjoining property to the south.</p> <p>The overshadowing plan provided with the latest plans shows that the extent of overshadowing complies with the deemed-to-comply requirements of the R-Codes (and future Design WA) requirements (20.10m² or 2.7% in-lieu of a maximum of 25%). Overshadowing falls onto the neighbour's driveway to a freestanding garage.</p>
Dwelling size	
<p>There is an oversupply of smaller dwellings (apartments) in the immediate vicinity.</p> <p>One and two bedroom apartments in the vicinity have remained for sale for excessive amounts of time.</p> <p>The development should meet the guidelines to achieve state government's planning objectives. Discretions should not be granted in favour of the developer's profitability over community needs.</p>	<p>Noted, however as a whole, the development is increasing housing diversity by providing a different housing type of apartments in a suburb of predominantly single houses.</p> <p>Further details are provided in the officer's comments above.</p>

Waste management	
<p>The appearance of rubbish bins on collection day and increased vermin activity with an increased population will have a negative impact on the amenity of the street.</p> <p>The location of the bin store will impact on a number of adjoining properties in relation to noise and odours.</p>	<p>The proposed bin store or presentation area is considered acceptable. A standard condition is recommended that a Waste Management Plan is submitted and approved by the City prior to occupation of the development.</p> <p>In accordance with the WALGA requirements, there will be a maximum of 12 bins (eight general waste and four recycling or four green bins) on the verge on collection day.</p> <p>The proposed bin presentation area shown on the latest plans accommodates 20 bins. Part of the hardstand can therefore be removed and replaced with landscaping.</p> <p>The location of the bin store, away from the building, has been raised with the applicant however they do not wish to relocate the bin store and there are no specific requirements under the current planning framework that do not allow the bin store to be positioned where proposed.</p> <p>There are separate requirements under health legislation that will require the bin store area to be maintained to an acceptable standard.</p> <p>Further details are provided in the officer's comments above.</p>
Redevelopment within the Housing Opportunity Area	
<p>There was a lack of consultation on the rezoning to R20/60.</p> <p>The community needs to be protected from greedy developers.</p> <p>This and other developments are beginning to change the whole nature of the area as the new buildings cover practically the whole block with no room for trees and other greenery. They make the area an unattractive dormitory suburb with no diversity and no character.</p> <p>Council needs to consider the cumulative impact of each redevelopment – two applications adding 29 new dwellings to the tiny cul-de-sac is ridiculous.</p>	<p>The City is required to determine the application on the basis of the current framework and coding of R20/60.</p> <p>The City is reviewing its approach to infill development and consultants have prepared a draft revised framework for infill development. The draft new framework will be advertised for public comment before it is finalised.</p>

Redevelopment within the Housing Opportunity Area	
<p>Smaller, two storey apartments (six dwellings), townhouses or villas are more appropriate.</p> <p>The progression from single one storey homes to three storey apartments blocks shows a complete disregard for the needs of existing ratepayers.</p> <p>Apartments do not fit the suburban profile of the area.</p>	

COMMENT

Through the JDRP assessment process, the 13 multiple dwelling development has been re-designed from a two storey to a three storey building, to provide additional open space and landscaping and improve the amenity of the development.

Three storeys is permitted within the current framework and coding of R60, however it is acknowledged that with the amalgamation of two lots and the three storey height, the scale of the development will be greater than existing development in the locality.

In an area undergoing change, design should respond to the planned future character of the area, while mitigating impacts on existing residents and development. The assessment above considers that the discretions sought satisfy the relevant design principles and are not considered to be reasonable grounds on which to refuse the application. For these reasons, along with others outlined in the report, it is recommended that Council approve the proposed development, subject to conditions.

VOTING REQUIREMENTS

Simple Majority.

OFFICER'S RECOMMENDATION

That Council:

- 1 APPROVES under clause 68(2) of Schedule 2 of the *Planning and Development (Local Planning Schemes) Regulations 2015* the application for development approval dated 24 July 2018 submitted by Danmar Developments, on behalf of the owners D and G Harris and C and R Lander, for 13 Multiple Dwellings at Lots 102 and 103 (4 and 6) Brechin Court, Duncraig, subject to the following conditions:
 - 1.1 This approval relates to the 13 multiple dwelling development and associated works only. It does not relate to any other development on the lot. Development shall be undertaken in accordance with the approved plan(s), and any other supporting information and the conditions of approval;
 - 1.2 The lots included within the application shall be granted approval for amalgamation prior to the commencement of development and amalgamation concluded prior to occupancy certification;

- 1.3 Five visitor car parking bays shall be clearly delineated (marked/signed), prior to the occupation of the development;
- 1.4 The screening for the balconies of Apartment six and Apartment 10 shall be a minimum height of 1.6 metres above the approved finished floor level and comply with the definition of screening under the Residential Design Codes. All screening shall be at least 75% obscure, permanently fixed, made of durable material, and restrict view in the direction of overlooking into any adjoining property. All screening shall be installed prior to the occupation of the development and maintained to the satisfaction of the City;
- 1.5 Detailed landscaping plans shall be submitted to and approved by the City prior to the commencement of development. These landscaping plans are to indicate the proposed landscaping treatments of the subject site and the adjoining road verge, and shall:
 - 1.5.1 provide planting of a sufficient height and density, including advanced growth trees, within the street setback area and adjacent to the southern side of Unit 3 to soften the visual impact of the development as viewed from the street;
 - 1.5.2 provide planting of a sufficient height and density within the street setback area to soften the visual impact of the solid walls and retaining walls as viewed from the street;
 - 1.5.3 provide a minimum of three trees within the verge;
 - 1.5.4 provide plant species, mature height and spread, plant spacing, pot size and quantities and an irrigation design by a Certified Irrigation Designer;
 - 1.5.5 provide all details relating to paving, treatment of verges and tree planting;
 - 1.5.6 be based on water sensitive urban design and designing out crime principles to the satisfaction of the City;
 - 1.5.7 show spot levels and/or contours of the site;
 - 1.5.8 be drawn at an appropriate scale of either 1:100 or 1:200;
- 1.6 Landscaping and reticulation shall be established in accordance with the approved landscaping plans, Australian Standards and best trade practice prior to the occupation of the development and thereafter maintained to the satisfaction of the City;
- 1.7 Walls, fences and other structures shall be no higher than 0.75 metres within 1.5 metres of where the driveways meet the front boundary, to provide adequate sightlines;
- 1.8 The infill panels of the fencing and balustrade within the front setback shall be visually permeable (as defined in the Residential Design Codes of WA);

- 1.9 The car parking bays, driveways and access points shown on the approved plans are to be designed, constructed drained and marked in accordance with the Australian Standard for Off-street Car Parking (AS/NZS2890.1 2004), Off-street Parking for People with Disabilities (AS/NZS2890.6 2009) and Off-street Commercial Vehicle Facilities (AS2890.2:2002) and to the satisfaction of the City, prior to the occupation of the development. The bays, driveways and access points are to be thereafter maintained to the satisfaction of the City;
- 1.10 Bicycle parking facilities shall be in accordance with the Australian Standard for Off-street Carparking – Bicycles (AS2890.3-1993 as amended) prior to the occupation of the development. Details of bicycle parking areas shall be provided to the City for approval prior to the commencement of development;
- 1.11 The existing crossovers are to be removed and the verge reinstated to the satisfaction of the City prior to the occupation of the development;
- 1.12 A Waste Management Plan indicating the method of rubbish collection shall be submitted to the City prior to the commencement of development and approved by the City prior to the occupation of the development. All rubbish collection shall be in accordance with the approved Waste Management Plan;
- 1.13 A Construction Management Plan being submitted and approved prior to the commencement of development. The management plan shall detail how it is proposed to manage:
 - 1.13.1 all forward works for the site;
 - 1.13.2 the delivery of materials and equipment to the site;
 - 1.13.3 the storage of materials and equipment on the site;
 - 1.13.4 traffic, access and parking arrangements for the contractors and subcontractors;
 - 1.13.5 noise, vibration and dust during the construction process;
 - 1.13.6 earthworks, excavation, land retention/piling methods and associated matters;
 - 1.13.7 other matters likely to impact on the surrounding properties,and works shall be undertaken in accordance with the approved Construction Management Plan;
- 1.14 Lighting shall be installed along all driveways and pedestrian pathways and in all common service areas prior to the occupation of the development, to the satisfaction of the City. A lighting plan shall be submitted to the City for approval prior to the commencement of development;
- 1.15 A notification, pursuant to section 70A of the *Transfer of Land Act 1893*, shall be placed on the certificate of title for the subject lot. The notification shall be at the owner/applicants' expense and lodged with the Registrar of Titles for endorsement on the certificate of title, prior to the commencement of development. The notification is to state as follows:

'This lot is in the vicinity of a transport corridor and is affected, or may in the future be affected, by road and rail transport noise. Road and rail transport noise levels may rise or fall over time depending on the type and volume of traffic.'

- 1.16 Any proposed building plant and equipment, including air conditioning units, satellite dishes, radio masts, piping, ducting and water tanks shall be located so as to minimise any visual and noise impact on surrounding landowners, and screened from view from the street. Details shall be submitted to and approved by the City prior to the commencement of development. Development shall be in accordance with these approved details;
 - 1.17 A full schedule of colours and materials for all exterior parts of the development (including retaining walls) shall be submitted to and approved by the City prior to the commencement of development. Development shall be in accordance with the approved schedule and all external materials and finishes shall be maintained to a high standard, including being free of vandalism, to the satisfaction of the City;
 - 1.18 Prior to the occupation of the development, each dwelling shall be provided with an adequate area for clothes drying facilities that is screened from view from the street or alternatively provide mechanical clothes dryers to the satisfaction of the City;
 - 1.19 All development shall be contained within the property boundaries;
 - 1.20 All stormwater shall be collected on-site and disposed of in a manner acceptable to the City;
 - 1.21 Retaining walls and boundary walls shall be of a clean finish and made good to the satisfaction of the City.
- 2 ADVISES the lead petitioner of its decision.

MOVED Cr Fishwick, SECONDED Cr Dwyer that Council:

- 1 **REFUSES** under clause 68(2) of Schedule 2 of the *Planning and Development (Local Planning Schemes) Regulations 2015* the application for development approval dated 24 July 2018 submitted by Danmar Developments, on behalf of the owners D and G Harris and C and R Lander, for 13 Multiple Dwellings at Lots 102 and 103 (4 and 6) Brechin Court, Duncraig for the following reasons:
 - 1.1 The proposal is not considered to meet the design principles of part 6.1.2 (Building height) of the Residential Design Codes of WA, resulting in an adverse impact on the amenity of the adjoining properties and streetscape;
 - 1.2 The proposal is not considered to meet the design principles of part 6.1.4 (Lot boundary setbacks) of the Residential Design Codes of WA, resulting in undue bulk as viewed from the adjoining properties;
 - 1.3 The proposal does not satisfy the matters to be considered under clause 67(c), clause 67(m), clause 67(n) and clause (u)(iii) of Schedule 2, Part 9 of the *Planning and Development (Local Planning Schemes) Regulations 2015*, as:

- 1.3.1 the proposal is not consistent with Schedule 1 – Design Principles of *State Planning Policy 7: Design of the Built Environment* as the massing and height of the development is not appropriate to its setting and does not successfully negotiate between existing built form and the intended future character of the local area;
- 1.3.2 the appearance of the development is not compatible with development on adjoining land and on other land in the locality from the perspective of height, bulk and scale;
- 1.3.3 the development has a detrimental impact on the character of the locality due to its height, bulk and scale;
- 1.3.4 the cumulative impact of the discretions sought in relation to building height, lot boundary setbacks and site works result in a development which is considered greater than what the site should accommodate;
- 1.3.5 the collection of waste may cause a nuisance to occupiers of adjoining premises;

2 ADVISES the lead petitioner of its decision.

Extension of Time to Speak

MOVED Cr Dwyer, **SECONDED** Cr Logan that Cr Fishwick be permitted an extension of time to speak for a further five minutes.

The Motion to Extend was Put and

CARRIED (12/0)

In favour of the Motion: Mayor Jacob, Crs Chester, Dwyer, Fishwick, Hollywood, Jones, Logan, McLean, May, Norman, Poliwka and Taylor.

The Motion as moved by Cr Fishwick, seconded by Cr Dwyer was Put and

CARRIED (7/5)

In favour of the Motion: Mayor Jacob, Crs Dwyer, Fishwick, Logan, May, Norman and Poliwka.

Against the Motion: Crs Chester, Hollywood, Jones, McLean and Taylor.

Reason for departure from Officer's recommendation

In accordance with Regulation 11 (da) of the *Local Government (Administration) Regulations 1996*, the reason Council made its decision which was significantly different to what the administration recommended is because the proposed development does not meet the design principles of the R-Codes and due to its height, bulk and scale is not compatible with the adjoining land and other land in the locality.

Appendix 2 refers

To access this attachment on electronic document, click here: [Attach2brf190514.pdf](#)

CJ048-05/19 PROPOSED REVOCATION OF THE HEATHRIDGE STRUCTURE PLAN

WARD	North Central	
RESPONSIBLE DIRECTOR	Ms Dale Page Planning and Community Development	
FILE NUMBER	06878, 101515	
ATTACHMENTS	Attachment 1	Location Plan
	Attachment 2	Heathridge Structure Plan
AUTHORITY / DISCRETION	Legislative - includes the adoption of local laws, planning schemes and policies.	

PURPOSE

For Council to consider advertising a proposal to request the Western Australian Planning Commission to revoke the *Heathridge Structure Plan*.

EXECUTIVE SUMMARY

The *Heathridge Structure Plan* was adopted by the City of Joondalup Joint Commissioners at its meeting held on 8 June 1998 and by the Western Australia Planning Commission on 21 April 1999. The purpose of the structure plan was to determine the subdivision layout and residential building form within the "Oceanside Gardens" estate, a then new infill subdivision on the corner of Ocean Reef Road and Marmion Avenue, Heathridge, consisting of 170 lots.

The structure plan specifies that land use permissibility and general provisions are to be the same as those in the 'Residential' zone under (now former) *District Planning Scheme No. 2* and specifies certain additional development provisions to those of the Residential Design Codes of Western Australia (R-Codes). The estate has been fully developed for some time, with the exception of one lot which remains vacant.

As part of the approval of *Local Planning Scheme No. 3* (LPS3), the Western Australian Planning Commission (WAPC) advised the City that a separate review of the City's existing structure plan areas should be undertaken to assess whether existing structure plans are still relevant and required.

The *Heathridge Structure Plan* area is zoned 'Residential' R20 under LPS3 and it is considered that there are no development provisions within the structure plan that need to be retained by incorporating the structure plan into LPS3. As such, it is considered the *Heathridge Structure Plan* is no longer required to guide the development of the area.

While there is no requirement to advertise a proposal to revoke a structure plan, it is considered appropriate to advertise the proposal to the landowners within the structure plan area and seek any feedback, prior to Council's further consideration of the proposal to request that the *Heathridge Structure Plan* be revoked by the WAPC.

BACKGROUND

Suburb/Location	Heathridge, including Mermaid Way, Abroholos Drive, Montebello Avenue, Voyage Road, Carnac Way, Rottnest Way, Brewis Court, Dirk Hartog Cove and Sail Terrace.
Owner	Various.
Zoning	LPS Residential.
	MRS Urban.
Site area	15ha.
Structure plan	<i>Heathridge Structure Plan.</i>

The *Heathridge Structure Plan* applies to land located in the south-west corner of Heathridge, specifically, the area bounded by Mermaid Way to the north, Marmion Avenue to the west, Ocean Reef Road to the south and Poseidon Road and Voyage Road to the east (Attachment 1 refers).

The *Heathridge Structure Plan* (Attachment 2 refers) was adopted by the Joint Commissioners at their meeting held on 8 June 1998 and adopted by the WAPC on 21 April 1999. There is limited background information on why a structure plan was needed for this area, aside from providing limited built form provisions in relation to dwellings addressing the street and front and rear building set backs.

At its meeting held on 27 February 2007 (CJ024-02/07 refers) Council adopted amendments to several structure plans, including the *Heathridge Structure Plan*, to align the wording with the requirements of the City's then DPS2 and the R-Codes.

The estate has now been fully developed, with the exception of one lot which remains vacant.

As part of the approval of LPS3, the WAPC advised that a separate review of the City's existing structure plan areas should be undertaken to assess the current status of each plan. This would determine if a structure plan covers an area:

- where development is still occurring to the extent that the structure plan is still relevant and needs to be retained
- where development is complete or nearing completion, and if there are no on-going development provisions required, the structure plan can be revoked, and the appropriate zones updated in LPS3 via a scheme amendment process (if required)
- where development is complete or nearing completion but could be 'normalised' by introducing relevant developments provisions and zones from the structure plan into LPS3, allowing the structure plan to be revoked.

It is important that the above assessments be undertaken as all structure plans in place prior to the introduction of the *Planning and Development (Local Planning Scheme) Regulations 2015* (the LPS Regulations) in October 2015 will be automatically revoked in October 2025 unless their period of approval is formally extended.

DETAILS

It is proposed that the *Heathridge Structure Plan* be revoked as the estate has now been fully developed, aside from one residential lot. The provisions of the R-Codes and the City's *Residential Development Local Planning Policy* are considered sufficient to ensure that any further development on the subject lots provide for an appropriate built form outcome.

Issues and options considered

Current need for the Heathridge Structure Plan

The *Heathridge Structure Plan* is a very basic structure plan with few development provisions. The structure plan may have been intended to provide appropriate provisions that could support development of lots which, at the time, were likely to have been considered small in size (around 500m² in area).

The structure plan area is divided into two precincts being "Precinct 1" and "Precinct 2". Precinct 1 consists of those lots in the estate fronting Mermaid Way, Voyage Road and Poseidon Road. The following table outlines the structure plan provisions and the current equivalent R-codes provisions:

Development Requirement	Structure Plan requirement	Current Residential Design Codes requirement
Orientation	Dwellings must address the street.	The street elevation of the dwelling to address the street with clearly definable entry points visible and accessed from the street. At least one major opening from a habitable room of the dwelling faces the approach to the dwelling.
Building set backs	Set backs shall conform to the R- Codes.	Current R-Code set backs would apply.

Additional provisions are provided for Precinct 2 which comprises the remaining lots within the estate:

Development Requirement	Structure Plan requirement	Current Residential Design Codes requirement
Orientation	Dwellings must address the street.	The street elevation of the dwelling to address the street with clearly definable entry points visible and accessed from the street. At least one major opening from a habitable room of the dwelling faces the approach to the dwelling.
Building set backs	Front: Four metre average, Two metres minimum. Garages: Six metres minimum. Rear: Four metres average Side set backs shall conform to the R-Codes.	Front: Six metre average, three metre minimum. Garages: 4.5 metres from the primary street. Side and Rear: As per tables 2a and 2b.

It is noted that the R-Codes have been updated on numerous occasions since the commencement of the *Heathridge Structure Plan* in 1999, with some of the provisions in the structure plan either now covered within the R-Codes (such as the requirement that dwellings need to face the street) or are no longer a requirement (such as, rear building set backs are now equivalent to side building set backs).

Should Council and the WAPC agree to revoke the structure plan, the remaining vacant lot will require the submission of an application for development approval (DA) in the instance that approval is sought to build in line with the set backs of the structure plan that are less onerous than those of the current R-Codes.

Zoning

Structure plans usually apply to areas zoned 'Urban Development' or 'Centre' under a local planning scheme, which then requires the zoning to be amended when the structure plan is revoked. However, in this instance, the appropriate zoning and reservation is already in place, including 'Residential' and 'Public Open Space'. Therefore, in the event that the *Heathridge Structure Plan* is revoked, no rezoning of the land is necessary.

Options

The options available to Council in considering revoking the *Heathridge Structure Plan* are to:

- resolve to advertise the proposal to revoke the structure plan to the existing landowners within the structure plan area
- resolve to support a request being forwarded to the WAPC for the structure plan to be revoked
- or
- resolve not to support a request being forwarded to the WAPC for the structure plan to be revoked.

Legislation / Strategic Community Plan / policy implications

Legislation	<i>Planning and Development (Local Planning Schemes) Regulations 2015.</i> <i>Local Planning Scheme No. 3.</i>
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Strategic Community Plan

Key theme	Quality Urban Environment.
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Objective	Quality built outcomes.
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Strategic initiative	Buildings and landscaping is suitable for the immediate environment and reflect community values.
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Policy	Not applicable.
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Planning and Development (Local Planning Schemes) Regulations 2015

Clause 28 of the deemed provisions of the LPS Regulations states that structure plans have effect for 10 years from their date of approval. This includes structure plans that were approved before the LPS Regulations came into effect, which are taken to have been approved on commencement day of the LPS Regulations and are therefore valid until 19 October 2025. The WAPC may extend the period of approval of a structure plan, revoke a structure plan or amend the scheme that covers the area to which the structure plan relates.

Structure Plan Framework

The Structure Plan Framework constitutes the manner and form in which a structure plan and activity centre plan is to be prepared under the LPS Regulations. Clause 16 of the framework outlines that the WAPC may revoke its approval of a structure plan under the deemed provisions of the LPS Regulations and provides for common circumstances in which this would occur, including where the zoning of the land is covered within the scheme and following finalisation of the subdivision of the land.

Local Planning Scheme No. 3

The objectives of the 'Residential' zone in LPS3 are:

Zone name	Objectives
Residential	<ul style="list-style-type: none"> To provide for a range of housing and a choice of residential densities to meet the needs of the community. To facilitate and encourage high quality design, built form and streetscapes throughout residential areas. To provide for a range of non-residential uses, which are compatible with and complementary to residential development.

Risk management considerations

Not applicable.

Financial / budget implications

Not applicable.

Regional significance

Not applicable.

Sustainability implications

Not applicable.

Consultation

There are no provisions within the LPS Regulations or structure plan framework which require consultation to be undertaken prior to a structure plan being revoked.

The structure plan has been in place since 1999, and it is likely that many landowners would not be aware of its presence. However, it is considered appropriate that the 170 landowners be informed in writing of the proposal to revoke the structure plan and obtain any feedback which can be reported back to Council prior to a final decision on whether to recommend to the WAPC that the structure plan be revoked.

COMMENT

The area that the *Heathridge Structure Plan* encompasses has now been fully developed, with the exception of one remaining lot. The R-Codes and the City's *Residential Development Local Planning Policy* are suitable mechanisms in ensuring that a suitable built form outcome is achieved.

It is therefore recommended that the proposal to request the WAPC revoke the *Heathridge Structure Plan* be advertised to the current landowners within structure plan area.

VOTING REQUIREMENTS

Simple Majority.

MOVED Cr Taylor, **SECONDED** Cr Jones that Council **ADVERTISES** the proposal to request the Western Australian Planning Commission to revoke the *Heathridge Structure Plan* to the landowners within the structure plan area, for a period of 14 days.

The Motion was Put and

CARRIED (12/0)

In favour of the Motion: Mayor Jacob, Crs Chester, Dwyer, Fishwick, Hollywood, Jones, Logan, McLean, May, Norman, Poliwka and Taylor.

Cr Poliwka left the Chamber at 8.22pm.

Appendix 3 refers

To access this attachment on electronic document, click here: [Attach3brf190514.pdf](#)

CJ049-05/19 PROPOSED AMENDMENT TO LOCAL PLANNING SCHEME NO. 3 - JOONDALUP DESIGN REFERENCE PANEL

WARD	All
RESPONSIBLE DIRECTOR	Ms Dale Page Planning and Community Development
FILE NUMBER	34172, 101515
ATTACHMENTS	Attachment 1 Matters to be considered by local government
AUTHORITY / DISCRETION	Legislative - includes the adoption of local laws, planning schemes and policies.

PURPOSE

For Council to consider a proposed amendment to *Local Planning Scheme No. 3* (LPS3) to include advice and recommendations from the Joondalup Design Reference Panel as a matter for due regard when determining a development application.

EXECUTIVE SUMMARY

The State Government's recently released *Design WA* suite of documents aims to ensure that good design is incorporated into all development in Western Australia. As part of *Design WA*, *State Planning Policy 7.0 - Design of the Built Environment* includes an emphasis on skilled evaluation expertise to achieve design outcomes that meet government and community expectations. Specifically, this means design review is to be an independent and impartial evaluation process through which a panel of experts on the built environment assess the design of a proposal, generally referred to as design reference (or review) panels.

The City already has an established Design Reference Panel (JDRP) which reviews planning applications in accordance with the adopted terms of reference. SPP7 states that, while it is an advisory process, it is expected that decision-makers give due regard to the advice and any recommendations provided by a design review panel.

Given the increased importance to be placed on design review panels through SPP7, it is recommended that Council initiates an amendment to the City's LPS3 to ensure that the advice or recommendations of the JDRP is one of the matters to be given due regard when making a determination on a development application.

As the proposed amendment aligns with SPP7, the amendment can be considered a 'basic' scheme amendment as defined by the *Planning and Development (Local Planning Schemes) Regulations 2015*, and therefore public advertising is not required.

BACKGROUND

The State Government, through the Western Australian Planning Commission (WAPC), has released *Design WA*, a suite of documents to ensure that good design is incorporated into all development in Western Australia.

The initial documents include *State Planning Policy 7.0 - Design of the Built Environment* (SPP7), which addresses design quality and built form outcomes of residential development in Western Australia, and *State Planning Policy 7.3 Residential Design Codes Volume 2 – Apartments* (SPP7.3, Vol. 2), which addresses the objectives and desired outcomes for multiple dwellings.

SPP7.1, Vol. 2 becomes operational on 24 May 2019 and from this date, the current Residential Design Codes (R-Codes) will be known as *State Planning Policy 7.3 Residential Design Codes Volume 1* (SPP7.3, Vol. 1).

SPP7 has a variety of objectives, including an emphasis on skilled evaluation expertise to achieve design outcomes that meet government and community expectations. Specifically, this means design review is to be an independent and impartial evaluation process through which a panel of experts on the built environment assesses the design of a proposal. Design review is complementary to, but does not replace, a planning assessment of a proposal against the required standards and provisions of the Residential Design Codes or relevant planning policies.

SPP7 states that, while it is an advisory process, it is expected that decision-makers give due regard to the advice and any recommendations provided by a design review panel.

The City already has an established JDRP which reviews planning applications in accordance with the adopted terms of reference (including all multiple dwelling proposals). Although the advice provided by the JDRP is useful for both applicants and the City in the assessment of development proposals, there is currently no provision in the City's planning scheme that gives any statutory weight to the advice provided by the JDRP.

The 'deemed' provisions of the *Planning and Development (Local Planning Scheme) Regulations 2015* (LPS Regulations), which are automatically incorporated into all local planning schemes, already outlines 27 matters that a local government is to have due regard to when determining a development application (Clause 67 - Attachment 1 refers). While clause 67(zb) of the LPS Regulations allows any planning consideration the local government considers appropriate to be given due regard, there is no specific reference to the advice of design review panels.

The provisions of the clause 67 of the LPS Regulations can be supplemented by including additional wording within a local planning scheme.

DETAILS

The advice the JDRP provides is currently considered when undertaking assessment of and making a determination or recommendation on a development application. However, given the increased importance to be placed on the advice of design reference panels through SPP7, it is considered appropriate that the City's LPS3 be amended to formally list the advice or recommendations of the JDRP as one of the matters to which due regard must be given when making a determination on a development application.

Including this statement within LPS3 would ensure that more 'weight' can be given to the advice and recommendations of the JDRP as a legitimate consideration in the assessment and determination of a planning application.

It is therefore proposed to add the following to Schedule A of LPS3:

"Clause 67

(zc) any advice or recommendations of the Joondalup Design Reference Panel."

Issues and options considered

The options available to Council in considering the scheme amendment are to:

- proceed with the amendment to the local planning scheme without modification
- proceed with the amendment to the local planning scheme with modifications
or
- not proceed with the amendment to the local planning scheme.

Legislation / Strategic Community Plan / Policy implications

Legislation *Planning and Development (Local Planning Schemes) Regulations 2015.*

Strategic Community Plan

Key theme Quality Urban Environment.

Objective Quality built outcomes.

Strategic initiative Buildings and landscaping is suitable for the immediate environment and reflect community values.

Policy *State Planning Policy 7 - Design of the Built Environment.*

Planning and Development Act 2005 and Planning and Development (Local Planning Schemes) Regulations 2015

Part 5 of the *Planning and Development Act 2005* along with the LPS Regulations enables a local government to prepare or amend a local planning scheme and sets out the process to be followed. There have been three preceding amendments to LPS3 prepared since its gazettal in October 2018. The subject amendment will be Scheme Amendment No. 4.

Under the LPS Regulations, scheme amendments are classified as being basic, standard or complex amendments. In resolving to proceed with an amendment, Council needs to specify the amendment type and explain the reason for that classification.

The LPS Regulations define what constitutes a 'basic amendment'. This definition includes 'an amendment to the scheme so that it is consistent with a State planning policy.'

As the proposed scheme amendment is consistent with SPP7, it is considered to be a basic amendment as per the definition of the LPS Regulations. The LPS Regulations do not require a basic amendment to be advertised for public comment.

Should Council resolve to proceed with the proposed amendment, it is required to be referred to the Environmental Protection Authority (EPA) to decide whether or not a formal review is necessary. Should the EPA decide that an environmental review is not required, the City will notify the WAPC of the EPA's decision.

Separately, Council's decision is forwarded to the WAPC, which makes a recommendation to the Minister for Planning. The Minister can either grant final approval to the amendment, with or without modifications, refuse the amendment, or require the amendment to be advertised for public comment.

Risk management considerations

Not applicable.

Financial / budget implications

The City, as the proponent, will cover any costs associated with the proposed scheme amendment, which includes the cost of publishing a notice in the *Government Gazette* in the event that the proposal is approved by the Minister for Planning.

Regional significance

Not applicable.

Sustainability implications

Not applicable.

Consultation

As it is considered that the proposed amendment falls within the definition of a 'basic' level of scheme amendment, in accordance with the LPS Regulations, public advertising is not required.

COMMENT

The proposed scheme amendment will include a requirement within LPS3 for the advice and recommendations of the JDRP to be given due regard when determining a development application, supplementing the existing matters for consideration within clause 67 of the LPS Regulations. This is consistent with the intent of SPP7 to give emphasis to the design quality of development.

It is recommended that Council proceed with the proposed amendment to LPS3.

VOTING REQUIREMENTS

Simple Majority.

MOVED Mayor Jacob, SECONDED Cr Jones that Council:

- 1 Pursuant to section 75 of the *Planning and Development Act 2005* and regulation 58 of the *Planning and Development (Local Planning Schemes) Regulations 2015*, RESOLVES to amend *Local Planning Scheme No. 3* by adding the following to Schedule A - Supplemental Provisions to the Deemed Provisions:

"Clause 67

(zc) any advice or recommendations of the Joondalup Design Reference Panel.";

- 2 Pursuant to regulation 35 (2) of the *Planning and Development (Local Planning Schemes) Regulations 2015* NOTES that Scheme Amendment No. 4 is a basic amendment as the proposal is consistent with *State Planning Policy 7.0- Design of the Built Environment* whereby it is expected that decision-makers give due regard to the advice and any recommendations provided by a design review panel.

The Motion was Put and CARRIED (12/0) by Exception Resolution after consideration of CJ069-05/19, page 219 refers.

In favour of the Motion: Mayor Jacob, Crs Chester, Dwyer, Fishwick, Hollywood, Jones, Logan, McLean, May, Norman, Poliwka and Taylor.

Appendix 4 refers

To access this attachment on electronic document, click here: [Attach4brf190514.pdf](#)

**CJ050-05/19 OBJECTION TO REFUSAL OF A TRADER'S PERMIT
AT KEY WEST PARKING STATION MULLALOO**

WARD	North Central
RESPONSIBLE DIRECTOR	Ms Dale Page Planning and Community Development
FILE NUMBER	01153, 101515
ATTACHMENTS	Attachment 1 Location Plan
AUTHORITY / DISCRETION	Review - Council reviews a decision made by officers.

PURPOSE

For Council to consider an objection, lodged under section 9.5 of the *Local Government Act 1995*, against the City's refusal of a trader's permit application to sell coffee, ice cream and other food at Key West parking station, Mullaloo.

EXECUTIVE SUMMARY

The City recently considered an application for a trader's permit to sell ice cream, coffee, cakes, cookies and drinks from a food trailer at the Key West parking station, Mullaloo.

The application was refused, particularly in consideration of limited car parking availability during peak periods. The City has issued 143 infringement notices relating to vehicles parking illegally at Key West parking station, Mullaloo in the last five years.

The applicant subsequently lodged an objection under section 9.5 of the *Local Government Act 1995*, which is required to be considered by Council.

A process review is currently being undertaken in relation to the assessment of trader's permit applications. This review has identified that the Key West parking station may be subject to future restrictions of commercial trade, based on the increasing demand for car parking and the consequent illegal parking of vehicles. However, the review has also identified that a new fee structure could be implemented in future that could allow greater future commercial opportunities for the objector.

A report on the review outcomes and the proposed variation to the existing fee structure will be presented to Council at an upcoming meeting.

In the interim and in this case, it is recommended that Council dismisses the objection in relation to the refusal on 14 December 2018, of a trader's permit to sell coffee, ice cream and other food at Key West parking station, Mullaloo.

BACKGROUND

The City's *Local Government and Public Property Local Law 2014* (the local law), requires any person intending to undertake trading on a public place or local government property to first obtain a trader's permit.

The City received an application for a trader's permit on 19 November 2018, for the sale of ice cream, coffee, cakes, cookies and drinks from a food trailer at the Key West parking station, Mullaloo.

The application involved a proposal to park a food trailer with dimensions of 2.4 metres by 1.9 metres within a car parking bay. A separate towing vehicle would also be provided. The application specified 30.5 hours of trade per week, between Friday and Monday (inclusive).

An existing permit holder selling ice cream is already approved at this location, with the same hours of trade permitted.

In determining an application, the local law allows the City to consider the desirability of any proposed activity or place of trading and the suitability of the proposal in any respect to the location for which the permit is sought.

On 14 December 2018, the City refused the trader's permit application stating that the proposal was undesirable in respect to the proposed location. This was in consideration that there is an existing permit holder and that the Key West parking station is in high demand.

On 14 January 2019, the City received an objection from the applicant, lodged under section 9.5 of the *Local Government Act 1995*. The objection is required to be considered by Council.

DETAILS

The City receives regular enquiries from customers seeking to operate mobile business activities on the City's land, often associated with the sale of food.

An assessment of a trader's permit application considers many factors, including the following:

- Car parking availability.
- History of any car parking issues.
- Pedestrian and general safety.
- Compliance with planning and environmental health legislation.
- Appropriateness of the trading activity.
- Suitability of the activity and trading location.
- Protection of the City's infrastructure.

The objection lodged to the City was provided on the basis that the objector has visited the location each weekend for the last 12 months and has not seen a commercial trader present. The objector provided four photographs of the car park as an attempt to illustrate that there was no other trader present at the time the photographs were taken.

The objection also included a clarifying statement regarding the reason for refusal that related to the loss of a car parking bay. It was correctly stated by the objector that the loss of a car parking bay was not supported in the context of an additional commercial trader at the location.

The local law allows conditions to be imposed on a trader's permit that relate to the time and duration that an approved activity can occur. However, there is no legal obligation for an existing permit holder to be present during the permitted times.

Should the objection be upheld, this could result in two traders being present at the same location, at the same time.

Allowing additional commercial activity would reduce the availability of parking bays that are intended to be available to the wider community.

Key West parking station, Mullaloo

The Key West parking station, is located on the Mullaloo foreshore with access from Oceanside Promenade, Mullaloo.

There is a current permit holder for the sale of ice-cream at this location. The hours specified on this permit coincide with the proposed hours of trade of the permit application refused by the City on 14 December 2018.

The City has refused three permit applications in the past three years at this location. The reasons for refusal were that car parking is in high demand and that the loss of additional car parking space for commercial trade is not supported.

The Key West parking station has a high usage demand, resulting in the illegal parking of vehicles which can create pedestrian and traffic safety concerns. Over the last five years, 143 infringement notices have been issued regarding cars parked illegally within the Key West parking station. This represents the third highest number of infringement notices (relating to the illegal parking of vehicles) issued by the City for a single location.

An additional 190 infringement notices have also been issued regarding vehicles parked illegally along Oceanside Promenade, Mullaloo.

Review of existing trader's permit assessment process

A review of the existing process for the assessment of trader's permit applications is currently being undertaken and has included an examination of pre-determining coastal locations that are suitable for commercial traders.

The purpose of reviewing the existing process was to:

- improve consistency on internal advice
- identify opportunities to streamline the existing process
- improve guidance to customers
- respond to issues associated with the reserving of locations through a trader's permit, regardless of whether a trader is actually present
- examine the existing fee structure
- explore alternative options for managing coastal traders.

As part of the review, the Key West parking station has been identified for possible seasonal restrictions to be imposed on trader's permits, in consideration of increasing parking demand.

It will also be proposed to introduce a new fee structure for trader's permits that is relative to the number of hours specified on the permit. This approach would encourage permit holders to restrict their proposed trading hours to only those times that they intend to trade. This would provide greater opportunities to other commercial traders, such as the objector in this instance.

A report on the review outcomes and proposed variation to the existing fee structure will be presented to Council at an upcoming meeting.

Issues and options considered

Council is required to consider the objection and may decide to either:

- dismiss the objection
- vary the decision to refuse the trader's permit application
or
- revoke the decision to refuse the trader's permit application, with or without substituting for another decision.

Legislation / Strategic Community Plan / Policy implications

Legislation *Local Government Act 1995.*
 City of Joondalup Local Government and Public Property
 Local Law 2014.
 City of Joondalup Parking Local Law 2013.

Strategic Community Plan

Key theme Quality Urban Environment.

Objective Quality open spaces.

Strategic initiative Adopt consistent principles in the management and provision of urban community infrastructure.

Policy Not applicable.

Risk management considerations

The City could be liable to claims of personal injury should a safety incident occur because of the positioning of a commercial trader.

The applicant has a right of review against Council's decision, or any conditions included therein, in accordance with the section 9.7 of the *Local Government Act 1995*.

Financial / budget implications

Should a permit be issued, an annual permit fee of \$780 would apply.

Regional significance

Not applicable.

Sustainability implications

Not applicable.

Consultation

Not applicable.

COMMENT

Parking stations within coastal areas are provided for the parking of vehicles by beach and park users. The City is supportive of allowing commercial traders to safely operate within carparks and provide a service to the community. Consideration is required to be given on the impact that the presence of a commercial trader may have. The local law allows the City to control what activities can occur on the City's land.

The Key West parking station is in high demand during the warmer months. the illegal parking of vehicles commonly occurs at this location, resulting in the third highest number of infringement notices being issued regarding the illegal parking of vehicles. A significant number of infringement notices are also issued to the immediate surrounding area along Oceanside Promenade, Mullaloo.

The City could be criticised if it endorses the loss of an additional car parking bay to allow commercial trade, while having to issue a high number of infringement notices due to illegal parking. Illegal parking can create traffic and pedestrian safety concerns.

It is acknowledged that an existing permit holder is not required to be present for the times specified on a trader's permit. However, should the City issue a second permit at the Key West parking station with the same trading hours, issues may arise where both traders are present. Further, any towing vehicle may be required to utilise an additional car parking bay.

A process review relating to the assessment of trader's permit applications, has identified that the Key West parking station may be subject to future seasonal restrictions of commercial trade, based on the increasing demand for car parking and the subsequent illegal parking of vehicles.

A proposed new fee structure that is relative to the number of trading hours specified on a permit would encourage permit holders to restrict their hours of trade to those times that they intend to be present. This approach would allow greater future commercial opportunities for the objector in this instance.

A report on the review outcomes and the proposed variation to the existing fee structure will be presented at an upcoming Council meeting.

It is recommended that the objection be dismissed.

VOTING REQUIREMENTS

Simple Majority.

OFFICER'S RECOMMENDATION

That Council DISMISSES the objection in relation to the refusal on 14 December 2018, of a trader's permit to sell coffee, ice cream and other food at Key West parking station, Mullaloo.

Cr Poliwka entered the Chamber at 8.24pm.

MOVED Cr Taylor, SECONDED Cr Jones that Council UPHOLDS the objection in relation to the refusal on 14 December 2018, of a trader's permit to sell coffee, ice cream and other food at Key West parking station, Mullaloo.

The Motion was Put and

LOST (5/7)

In favour of the Motion: Crs Chester, Jones, May, Norman and Taylor.

Against the Motion: Mayor Jacob, Crs Dwyer, Fishwick, Hollywood, Logan, McLean and Poliwka.

MOVED Cr Dwyer, SECONDED Cr McLean that Council DISMISSES the objection in relation to the refusal on 14 December 2018, of a trader's permit to sell coffee, ice cream and other food at Key West parking station, Mullaloo.

The Motion was Put and

CARRIED (11/1)

In favour of the Motion: Mayor Jacob, Crs Chester, Dwyer, Fishwick, Hollywood, Jones, Logan, McLean, May, Norman and Poliwka.

Against the Motion: Cr Taylor.

Appendix 5 refers

To access this attachment on electronic document, click here: [Attach5brf190514.pdf](#)

CJ051-05/19 DEVELOPMENT APPLICATIONS WITHIN THE WARWICK ACTIVITY CENTRE

WARD	South	
RESPONSIBLE DIRECTOR	Ms Dale Page Planning and Community Development	
FILE NUMBER	07014, 101515	
ATTACHMENT	Attachment 1	Location Plan
	Attachment 2	LPS3 Zoning Table
	Attachment 3	<i>Commercial, Mixed Use and Service Commercial Zone Local Planning Policy</i>
AUTHORITY / DISCRETION	Administrative - Council administers legislation and applies the legislative regime to factual situations and circumstances that affect the rights of people. Examples include town planning applications, building licences and other decisions that may be appealable to the State Administrative Tribunal.	

PURPOSE

For Council to:

- note the threshold for the requirement of an activity centre plan
- determine applicable parameters for the assessment of development applications within the Warwick Activity Centre, in the absence of an approved activity centre plan.

EXECUTIVE SUMMARY

The Warwick Activity Centre is designated as a 'secondary centre' under *State Planning Policy 4.2 – Activity Centres for Perth and Peel* (SPP4.2). In accordance with SPP 4.2, an activity centre plan is required prior to any major development occurring. Activity centre plans are used to coordinate and guide development and are particularly relevant when centres are held in multiple ownership, such as the Warwick Activity Centre.

An activity centre plan was being contemplated by a number of landowners within the centre in 2013, however the activity centre plan did not progress.

At its meeting held on 17 February 2014 (CJ008-02/14 refers), Council formally required the preparation of an activity centre plan for the centre and resolved that only minor and incidental development should be considered prior to the adoption of an activity centre plan.

Council's resolution at its meeting held on 17 February 2014 was made under the City's former planning scheme, *District Planning Scheme No. 2* (DPS2) and pre-dates the current *Planning and Development (Local Planning Schemes) Regulations 2015* (LPS Regulations). The LPS Regulations now include only limited instances when an activity centre plan may be prepared and has removed local government's ability to determine these instances without approval from the Western Australian Planning Commission (WAPC).

Irrespective of when an activity centre plan may be prepared, development can continue to be approved in the absence of an activity centre plan, as long as the development does not prejudice the overall development potential of the area and is consistent with the principles of proper and orderly planning.

When the City's current planning scheme, *Local Planning Scheme No. 3 (LPS3)*, came into operation, a change in zoning for the centre effectively removed all guiding standards and provisions for development in the absence of an activity centre plan.

The introduction of the LPS Regulations and the City's new planning scheme also have implications for the Warwick Activity Centre and Council's ability to determine the threshold for the requirement of an activity centre plan.

It is appropriate that Council revisits the matter under the current planning framework in relation to:

- the threshold for the requirement of an activity centre
- the parameters that will be used to guide the assessment of development applications in the absence of an activity centre plan.

It is recommended that Council agrees that the standards of the 'Commercial' zone and the City's *Commercial, Mixed Use and Service Commercial Zone Local Planning Policy* be used to guide the determination of development applications within the Warwick Activity Centre, in the absence of an approved activity centre plan. It is also recommended that Council note that an activity centre plan is only required when major development is proposed.

BACKGROUND

Suburb/Location	Warwick.
Applicant	Not applicable.
Owner	Various.
Zoning	LPS Centre.
	MRS Urban.
Site area	16.5 hectares.
Structure plan	Not applicable.

The Warwick Activity Centre is located at the corner of Erindale Road, Beach Road and Dorchester Avenue (Attachment 1 refers) and is zoned 'Centre' under LPS3. The centre includes the Warwick Grove Shopping Centre, Warwick Commercial Park, Warwick Entertainment Centre, Jellybeans child care centre, a church, three City owned lots and several other commercial lots. It has a commercial floorspace of almost 54,000m², of which approximately 25,000m² is retail net lettable area (NLA).

In 2013, several of the landowners within the activity centre were looking at possible developments within the centre. On this basis and in recognition of the multiple and fragmented land ownership within the Warwick Activity Centre, at its meeting held on 17 February 2014 (CJ008-02/14 refers), Council formally required the preparation of a structure plan (now referred to as an activity centre plan) to guide and coordinate future development of the centre.

As an interim measure and while the activity centre plan was being progressed, Council also resolved that only minor and incidental development would be considered prior to the approval of the activity centre plan.

The nature of minor and incidental development was specified as change of use applications, amalgamation of lots, minor modifications to existing buildings or car parking, signage, landscaping and patio or outbuilding additions.

Ultimately, the proposed activity centre plan did not progress, however some small-scale development was undertaken in accordance with Council's resolution.

Under the former DPS2, the Warwick Activity Centre was zoned 'Commercial' and the development that occurred was guided / controlled by the provisions of the 'Commercial' zone contained in the planning scheme and in any applicable local planning policy.

In 2015, the LPS Regulations came into operation which changed the planning framework. Following the introduction of the LPS Regulations, an activity centre plan is only required if a State planning policy requires it, or if the WAPC considers an activity centre plan is required for the purposes of orderly and proper planning. Council no longer has the ability to require the preparation of an activity centre plan in the same way it did when it made its decision in February 2014.

Also, since Council's decision in 2014, the City now has a new planning scheme in operation, LPS3, which has zoned the Warwick Activity Centre to 'Centre'.

When a site is zoned 'Centre', development in the centre is intended to be guided by the provisions of an approved activity centre plan. Consequently, LPS3 does not contain land use permissibility or development provisions for the 'Centre' zone and there are currently no specific assessment requirements for development proposals in the Warwick Activity Centre. The LPS Regulations allow development of a certain scale to be undertaken in the absence of an approved activity centre plan as long as the development does not prejudice the overall development potential of the area and is consistent with the principles of proper and orderly planning.

DETAILS

Issues and options considered

Threshold for the requirement of an activity centre plan

As outlined above, in February 2014, Council established guiding principles for the scale of development it felt was able to be considered in the absence of an activity centre plan for the Warwick Activity Centre. Council was able to do this under the provisions of the former DPS2.

When the LPS Regulations were introduced in October 2015, they automatically replaced a number of provisions of all local planning schemes, including DPS2, and removed the ability for a local government to determine when an activity centre plan should be prepared. Instead, under the LPS Regulations, now an activity centre plan may only be prepared when required by a State planning policy or at the discretion of the WAPC.

The options available to Council in considering the requirement for an activity centre plan are as follows:

- Note the threshold set out in *SPP4.2* and that an activity centre plan will need to be approved prior to major development of the Warwick Activity Centre.

or

- Request the WAPC to require an activity centre plan for the Warwick Activity Centre prior to any development being approved, with the exception of minor and incidental development such as change of use applications, amalgamation of lots, minor modifications to existing buildings or car parking, signage, landscaping and patio or outbuilding additions.

Option 1: When required by a State Planning Policy.

State Planning Policy 4.2 Activity Centres for Perth and Peel (SPP4.2) specifies the broad planning requirements for the planning and development of new activity centres and the redevelopment and renewal of existing centres in Perth and Peel. It is mainly concerned with the distribution, function, broad land use and urban design criteria of activity centres.

Under SPP4.2, the Warwick Activity Centre is designated as a secondary centre and therefore requires an activity centre plan to be prepared prior to any major development being undertaken. SPP4.2 defines major development as a new building greater than 10,000m² retail NLA or an extension that is greater than 5,000m² retail NLA.

Under this option, a broader range of development proposals and at a greater scale, could be considered in the absence of an activity centre plan than what was considered within the scope of Council's 2014 resolution.

This could have some benefits and encourage some redevelopment and revitalisation of the centre, particularly of some of the fragmented land in the north and could contribute towards a greater mix of uses and activity.

Even under this broader scope of development potential, in the absence of an activity centre plan, a development proposal will still be required to demonstrate how it would not prejudice the overall development potential of the centre. As such, in considering any development proposal, the City would need to be satisfied that an integrated and coordinated development outcome of the centre could still be achieved. This could possibly be demonstrated through the inclusion of a masterplan or similar as part of any development proposal lodged prior to an activity centre plan being approved for the centre. Ultimately, the scale of the development proposal would determine the type of information required to demonstrate this.

Option 2: When required by the WAPC.

Although not able to determine a threshold under its own volition, Council could request that the WAPC require an activity centre plan prior to any development application being approved. In making this request, Council could specify the types of application that would not trigger the need, such as change of use applications, minor applications related to landscaping and signage, and similar, largely in keeping with Council's previous resolution.

If approved by the WAPC, this would limit redevelopment potential of the centre until such time as an activity centre plan is approved. It could also be viewed as a greater impediment imposed on an individual centre when compared to centres of the same designation under the SPP 4.2 activity centre hierarchy.

As noted above, SPP4.2 already provides guidance on the scale of development that could be considered in the absence of an activity centre plan. The guidance provided by SPP4.2 is considered appropriate and, on this basis, it is not considered necessary to require an activity centre plan for development below the major development threshold for the Warwick Activity Centre.

Parameters to guide development assessment

Irrespective of the threshold that is set for when an activity centre plan is required, it is still important that Council sets parameters to guide development within the Warwick Activity Centre in the absence of an activity centre plan.

The options available to Council in considering the development parameters are to:

- Agree that the land use permissibility and development provisions (as detailed in Attachments 2 and 3 to Report CJ051-05/19) will be used to guide assessment and determination of minor development proposals within the Warwick Activity Centre.

or

- Not agree that the land use permissibility and development provisions (as detailed in Attachments 2 and 3 to Report CJ051-05/19) will be used to guide assessment and determination of minor development proposals within the Warwick Activity Centre.

The LPS3 'Centre' zone reflects the status of the Warwick Activity Centre, and the ultimate need for an activity centre plan, although in the interim this means that there is no land use permissibility or development provisions that specifically apply to the centre.

The LPS Regulations allow the local government to approve an application for development approval in an area where an activity centre plan is required, but has not been approved, if the development does not conflict with the principles of orderly and proper planning and the development would not prejudice the overall development potential of the area.

To provide certainty and consistency in regard to the assessment of minor development proposals, and given that the centre was zoned 'Commercial' immediately prior to LPS3 coming into operation, it is considered appropriate that any proposed development be assessed in accordance with the land uses of the 'Commercial' zone, and development proposals be assessed in accordance with the *Commercial, Mixed Use and Service Commercial Zone Local Planning Policy* which specifies the development standards and provisions for development within those zones.

Legislation / Strategic Community Plan / Policy implications

Legislation *Planning and Development (Local Planning Schemes Regulations 2015).*
 State Planning Policy 4.2 - Activity Centres for Perth and Peel.
 Local Planning Scheme No. 3.

Strategic Community Plan

Key theme Quality Urban Environment.

Objective Quality built outcomes.

Strategic initiative Planning frameworks promote and support adaptive, mixed-use development with active ground floor uses on appropriately zoned sites.

Key theme Economic Prosperity, Vibrancy and Growth.

Objective Activity Centre development.

Strategic initiative Support the development of fresh and exciting de-centralised areas of activity.

Policy Not applicable.

State Planning Policy 4.2 Activity Centres for Perth and Peel

State Planning Policy 4.2 Activity Centres for Perth and Peel (SPP4.2) specifies the broad planning requirements for the planning and development of new activity centres and the redevelopment and renewal of existing centres in Perth and Peel. It is mainly concerned with the distribution, function, broad land use and urban design criteria of activity centres.

Under SPP4.2, Warwick Activity Centre is designated as a secondary centre and therefore requires an activity centre plan be prepared prior to any major development being undertaken. Major development is defined as a new building greater than 10,000m² retail NLA or an extension that is greater than 5,000m² retail NLA.

Planning and Development (Local Planning Schemes) Regulations 2015

Clause 31 of schedule 2 of the LPS Regulations states that an activity centre plan may be prepared if a State planning policy requires an activity centre plan to be prepared for the area or the WAPC considers that an activity centre plan is required for the purposes of orderly and proper planning.

Clause 43(2) of schedule 2 states that the local government may approve an application for development approval in an area where an activity centre plan is required, but has not been approved, if the development does not conflict with the principles of orderly and proper planning and the development would not prejudice the overall development potential of the area.

Local Planning Scheme No. 3

The Warwick Activity Centre is zoned 'Centre' under LPS3. The objectives of the 'Centre' zone are:

- to designate land for future development as an activity centre
- to provide a basis for future detailed planning in accordance with the structure planning provisions of this scheme or the *Activity Centres State Planning Policy*.

There is no land use permissibility in the 'Centre' zone within LPS3 given the intent is for the area to be subject to an activity centre plan.

Risk management considerations

Threshold for the requirement of an activity centre plan

As previously indicated, in accordance with SPP4.2, an activity centre plan is required to be in place prior to major development (over 5,000m² increase in retail NLA), being development of scale that may begin to impact on the ability to appropriately coordinate future development within the centre as a whole.

Therefore, it is considered that continuing to determine minor development applications (those that do not fall within the definition of major development) will not have a prejudicial effect on the longer-term redevelopment potential of the activity centre. Depending on the scale of the development proposed, in the absence of an activity centre plan, it will be incumbent on the applicant to demonstrate how a particular proposal will not prejudice the broader redevelopment potential of the centre.

Parameters to guide development assessment

If Council does not agree to land use permissibility and development provisions to guide the assessment development applications within the Warwick Activity Centre, this does not prevent those proposals from being determined. However, it is considered that adopting the provisions to guide assessment would provide a level of certainty to those applicants as well as decision-makers and ensure the efficient dealing with minor applications.

Financial / budget implications

Not applicable.

Regional significance

Not applicable.

Sustainability implications

Not applicable.

Consultation

Not applicable.

COMMENT

The planning framework has changed since Council set guidance as to the type of development in the Warwick Activity Centre that is considered acceptable in the absence of an activity centre plan. It is appropriate for Council to reconsider its position under the new planning framework and it is recommended that the threshold provided by SPP4.2 be used as the basis to determine the nature and scale of development that can be considered in the absence of an activity centre plan.

In the absence of an activity centre plan and since LPS3 came into operation and rezoned the Warwick Activity Centre to 'Centre', there are no longer specific development provisions in place to assess and determine applications for development approval. Although an activity centre plan is required prior to major development, it may be some time before one is prepared and approved. It is therefore appropriate to establish what parameters will be used to guide assessment of development proposals so that they can be progressed in a consistent and timely manner.

It is recommended that Council agrees that the land use permissibility of the 'Commercial' zone in LPS3 and the development provisions of the *Commercial, Mixed Use and Service Commercial Zone Local Planning Policy* will be used to guide the determination of minor development applications, in the absence of an activity centre plan.

VOTING REQUIREMENTS

Simple Majority.

MOVED Mayor Jacob, SECONDED Cr Jones that Council:

- 1** **NOTES** that an activity centre plan is only required under *State Planning Policy 4.2 Activity Centres for Perth and Peel* prior to major development being approved. Major development is defined as a new building greater than 10,000m² retail NLA or an extension that is greater than 5,000m² retail NLA;
- 2** **AGREES** that the following parameters will be used as the basis for the City's assessment for minor applications for development approval within the Warwick Activity Centre prior to the approval of an activity centre plan:
 - 2.1** land use permissibility of the 'Commercial' zone in Table 3 Zoning Table of the City of Joondalup *Local Planning Scheme No. 3* will apply;
 - 2.2** development provisions of the *Commercial, Mixed Use and Service Commercial Zone Local Planning Policy* will apply.

The Motion was Put and CARRIED (12/0) by Exception Resolution after consideration of CJ069-05/19, page 219 refers.

In favour of the Motion: Mayor Jacob, Crs Chester, Dwyer, Fishwick, Hollywood, Jones, Logan, McLean, May, Norman, Poliwka and Taylor.

Appendix 6 refers

To access this attachment on electronic document, click here: [Attach6brf190514.pdf](#)

Disclosures of Financial Interest

Name/Position	Cr John Chester.
Item No./Subject	CJ052-05/19 - Draft New Planning Framework for Infill Development.
Nature of interest	Financial Interest.
Extent of Interest	Cr Chester owns a residential property in Place Neighbourhoods 1 and 7 and his son and daughter own residential property in Place Neighbourhoods 1 and 5.

Name/Position	Cr Russ Fishwick, JP.
Item No./Subject	CJ052-05/19 - Draft New Planning Framework for Infill Development.
Nature of interest	Financial Interest.
Extent of Interest	Cr Fishwick is a joint owner of a property in Housing Opportunity Area 1 – Place Neighbourhood 1.

Disclosures of interest that may affect impartiality

Name/Position	Mayor Hon. Albert Jacob, JP.
Item No./Subject	CJ052-05/19 - Draft New Planning Framework for Infill Development.
Nature of interest	Interest that may affect impartiality.
Extent of Interest	Mayor Jacob has a relative that owns a property in Housing Opportunity Area 10.

Name/Position	Cr John Logan.
Item No./Subject	CJ052-05/19 - Draft New Planning Framework for Infill Development.
Nature of interest	Interest that may affect impartiality.
Extent of Interest	Cr Logan's stepdaughter owns a property in Housing Opportunity Area No. 10.

Crs Chester and Fishwick left the Chamber at 8.32pm.

C30-05/19 MOTION TO ALLOW DISCLOSING MEMBERS TO PARTICIPATE - [01122, 02154]

MOVED Mayor Jacob, SECONDED Cr Poliwka that Council:

- 1 acting in accordance with section 5.68 of the *Local Government Act 1995*;**
- 2 having considered the extent of the interest of Cr John Chester and Cr Russ Fishwick who have made disclosures under section 5.65 of the *Local Government Act 1995* in relation to Item CJ052-05/19;**
- 3 being satisfied that the interest so declared by Cr Chester and Cr Fishwick is common to a significant number of electors or ratepayers in relation to the matters being considered for Item CJ052-05/19,**

RESOLVES to allow Cr John Chester and Cr Russ Fishwick to be present and to participate fully in the discussion and decision-making procedures relating to Item CJ052-05/19.

The Motion was Put and

CARRIED (10/0)

In favour of the Motion: Mayor Jacob, Crs Dwyer, Hollywood, Jones, Logan, McLean, May, Norman, Poliwka and Taylor.

Crs Chester and Fishwick entered the Chamber at 8.33pm.

CJ052-05/19 DRAFT NEW PLANNING FRAMEWORK FOR INFILL DEVELOPMENT

WARD	All
RESPONSIBLE DIRECTOR	Ms Dale Page Planning and Community Development
FILE NUMBER	106679, 30622, 101515
ATTACHMENT	Attachment 1 Background Review and Analysis – Key Findings and Recommendations Attachment 2 Draft <i>Place Neighbourhoods Local Planning Policy</i> Attachment 3 Draft Amendment No. 3 to <i>Local Planning Scheme No. 3</i> Attachment 4 Comparison Plans for HOA / Place Neighbourhoods 1 – 10
AUTHORITY / DISCRETION	Executive – The substantial direction setting and oversight role of Council, such as adopting plans and reports, accepting tenders, directing operations, setting and amending budgets.

This item was deferred from the Council meeting held on 16 April 2019.

PURPOSE

The purpose of this report is for Council to:

- consider the draft new planning framework for infill development in the City of Joondalup
- note that the draft new planning framework comprises a draft *Local Planning Policy* and draft Scheme Amendment
- endorse the *Place Neighbourhoods Local Planning Policy* for the purposes of public advertising
- endorse Amendment No. 3 to *Local Planning Scheme No. 3* for the purposes of public advertising.

EXECUTIVE SUMMARY

At its meeting held on 21 November 2017 (CJ177-11/17 refers), Council committed to preparing a new planning framework for infill development.

After an appropriate scoping and tendering process, in July 2018 the City engaged a specialist consultant team to consult with the community and to prepare the new planning framework. As a precursor to preparation of the new planning framework, the consultant team engaged and consulted extensively with the community between September and December 2018.

The outcomes of this extensive engagement process were then used to compile a Consultation Report, which was made available to the community on the project webpage and via the City's website on Friday 8 March 2019. The City had no role in compiling or editing the report.

This report on early consultation outcomes does not form part of the draft new planning framework but is one of the key inputs that has been used by the consultants to inform development of the framework. Other inputs are State Government policy, State Government advice and direction, and the knowledge and expertise of the different consultant team members.

The consultants have now finalised development of the draft new planning framework, which is comprised of two different documents:

- Draft *Place Neighbourhoods Local Planning Policy*.
- Draft Amendment No. 3 to the *City of Joondalup Local Planning Scheme No. 3*.

This report seeks Council's agreement to advertise the draft new planning framework for public consultation. The report is not seeking Council's support for or final endorsement of the content of the framework at this stage.

If Council agrees to advertise the new planning framework, the draft scheme amendment will be sent to the Environmental Protection Authority and the Western Australian Planning Commission. Once these authorities give approval to advertise the draft scheme amendment, the City will commence consultation on both the draft scheme amendment and draft local planning policy, with the community and other stakeholders, to ensure the details of the new framework are understood and to seek comment/feedback on the draft new planning framework. The Western Australian Planning Commission will need to approve the draft local planning policy, however it is not required to give consent prior to advertising.

Only once this second round of consultation has been undertaken, will Council be requested to formally consider the merits of the draft new planning framework and any submissions received during the consultation period.

The draft new planning framework has been prepared to respond to community feedback about the impact of infill development that is occurring under the current standards and requirements. This feedback has included concerns relating to:

- the impacts of infill, and particularly multiple dwellings as a type of housing
- the loss of vegetation and 'green space'
- increased traffic and parking
- loss of character of an area.

In recognition of this community feedback, coupled with consideration of State Government policy and expert independent analysis, the draft new planning framework will:

- maintain the current infill boundaries and formalise them as 'Special Control Areas' under the City's *Local Planning Scheme No. 3*
- revise the term 'Housing Opportunity Area' to 'Place Neighbourhood'
- remove the dual density code and allocate density throughout the Place Neighbourhoods, based on walkable catchments to nodes such as activity centres and train stations.

- elevate the importance of design and built form standards in determining the number of dwellings per lot and development outcomes, as opposed to an underlying density code. As such, it is critical that a density code is considered in conjunction with the proposed scheme and policy standards
- moderate development potential of multiple dwellings in cul-de-sacs
- introduce the requirement for a 'green ratio' in development, being a minimum provision of landscape area and tree provision
- recognise that each of the City's 10 Place Neighbourhoods have their own unique characteristics.

It is therefore recommended that Council endorses the draft local planning policy and the draft scheme amendment to enable the process to commence in terms of advertising both the policy and the scheme amendment for public comment.

BACKGROUND

In August 2010, the State Government released *Directions 2031 and Beyond* - a high level spatial framework and strategic plan to guide the future development of Perth. This document set a target of accommodating 47% of population growth within existing suburbs. These principles have been reinforced in the State Government's latest strategic plan, known as *Perth and Peel @3.5million*.

For local governments like the City, which do not have many or any greenfield sites left, this growth needs to be accommodated as infill development.

To demonstrate how the City was going to achieve its dwelling targets, the City was required by the State Government to prepare a *Local Housing Strategy*.

It was established early in the development of the *Local Housing Strategy* that it was not appropriate to allow higher density development to occur everywhere throughout the City of Joondalup or only in the Joondalup City Centre. Instead, there were certain areas in the City of Joondalup (outside the City Centre) that were identified as being most suitable for increases in residential density. These 10 areas, known as Housing Opportunity Areas (HOAs), were selected, based on a set of criteria, including:

- proximity to train stations, high frequency bus routes and higher order activity centres
- suburbs which would benefit from revitalisation
- lots with laneway access.

The opportunity for increased densities in these HOAs was given statutory effect through Amendment No. 73 to the City's previous *District Planning Scheme No. 2*, which was approved by the (then) Minister for Planning in January 2016.

Since development began occurring in the HOAs, concern has been raised by some members of the community about the impact that higher density development is having on existing residential areas.

The City acknowledges the community's concerns about the type of infill development currently taking place and, therefore, at its meeting held on 21 November 2017 (CJ 177-11/17 refers), Council resolved to engage consultants to prepare a design-led local planning policy for multiple dwellings (apartments) in the HOAs and a scheme amendment to better control the impact of multiple dwellings on existing residents and streetscapes.

Following this decision of Council, the City engaged with other local governments experiencing issues with density. The City also engaged with the Department of Planning, Lands and Heritage regarding its expectations on a proposed scope for the project. Through this work, it was identified that, to be effective, the solution needed to have a broader focus than a policy and scheme amendment to deal with only multiple dwellings (apartments), and that the solution needed to be developed after additional extensive engagement with the community.

Therefore, the project scope was expanded to include a review of the City's current approach to density, and development of a new design-led planning framework for infill development, which would apply to multiple dwellings and grouped dwellings (units/townhouses) in areas where density is appropriate. The scope also included a requirement for the inclusion of independent community consultation and engagement specialists in the consultant team.

Following appropriate scope development and tendering processes, at its meeting held on 17 July 2018 (CJ128-07/18 refers), Council accepted the tender submitted by Taylor Burrell Barnett to review the City's current position on infill development and develop a new planning framework that addresses State Government policy and responds to the key concerns raised by the community.

Physical analysis of the existing Housing Opportunity Areas (HOA)

As a precursor to starting any work on a new planning framework, the consultant team undertook a physical analysis of the existing HOAs. The following characteristics of each HOA were assessed:

- Predominant lot sizes.
- Lot widths.
- Architectural character.
- Landscape character (including established trees).
- Topographical considerations.
- Street verge widths and landscaping.
- Footpath networks, street trees and lighting.
- Traffic considerations.

Tables outlining the key characteristics of each HOA are included in the consultant's *Background Review and Analysis – Key Findings and Recommendations Report* detailed as Attachment 1 to Report CJ052-05/19.

Community consultation/engagement

One of the consultant team's first tasks was to prepare a Community Consultation and Engagement Plan to outline how best to engage with the community ahead of and during preparation of the new planning framework for infill development.

In line with this Community Consultation and Engagement Plan, the engagement strategy was executed as follows:

- A dedicated HOA telephone line and email address were created.
- A dedicated HOA project webpage was created, which includes all relevant information for the project, including a detailed set of frequently asked questions.
- A social media campaign was rolled out to generate interest in the project.
- Letters and flyers were sent to every ratepayer and resident in the City of Joondalup (circa 66,000 letters). These letters introduced the project, outlined the different participation opportunities, invited people to participate in an online survey and sought expressions of interest to be part of extended consultation and engagement.

- An online survey was conducted between 24 September 2018 and 29 October 2018 (residents also had opportunities to fill in hard copies).
- A total of 1,505 valid surveys was received (response rate of around 2.2%). The key findings of the survey are outlined in the *Background Review and Analysis – Key Findings and Recommendations Report* at Attachment 1 to Report CJ052-05/19.
- Letters were sent to numerous stakeholders (including local Members of Parliament, State Government stakeholders and all the resident and ratepayer associations). Seventeen one-on-one meetings were held with 35 interviewees between 25 September 2018 and 25 October 2018.
Table 2 in the *Background Review and Analysis – Key Findings and Recommendations Report* (Attachment 1 refers) outlines the key issues, concerns and opportunities identified during the stakeholder meetings.
- Five listening posts were held between 17 September 2018 and 24 September 2018 at various times and locations throughout the City of Joondalup to ensure ease of access for the community. A total of 380 participants registered their attendance at the listening posts.
The key issues raised at the listening posts are outlined in the *Background Review and Analysis – Key Findings and Recommendations Report* at Attachment 1 to Report CJ052-05/19.
- An industry forum was held on 9 October 2018 with 20 key industry stakeholders and property developers and builders.
The feedback received from this group is summarised in Table 3 in the *Background Review and Analysis – Key Findings and Recommendations Report* at Attachment 1 to Report CJ052-05/19.
- Five community design workshops were held between 19 November 2018 and 5 December 2018 at different times and locations throughout the City of Joondalup to ensure ease of access for the community.

A total of 193 people participated in the workshops. Presentations were made by members of the consultant team and workshop participants were involved in an interactive three-dimensional (3D) modelling activity. Following completion of the activity, further feedback was sought from participants in relation to a range of alternative housing typologies (typologies being a reference to different types of housing designs) that are possible at different densities. Feedback received on each of the potential housing typologies and the potential areas in which they may be appropriate is outlined in Table 4 in the *Background Review and Analysis – Key Findings and Recommendations Report* at Attachment 1 to Report CJ052-05/19.

Workshop participants also provided feedback on ideas for design and planning controls. The design considerations and feedback provided are outlined in Table 5 in the *Background Review and Analysis – Key Findings and Recommendations Report* at Attachment 1 to Report CJ052-05/19.

Following conclusion of this first round of community engagement, the consultant team combined all the outcomes of these processes into a Consultation Report. This report was received by the City on 26 February 2019 and was uploaded onto the HOA webpage on 8 March 2019. On the same day letters/emails were sent to local Members of Parliament and:

- everyone who attended a listening post session and/or community design workshop and who provided an email address
- everyone who registered for updates
- people who made direct contact with the City regarding the project
- members of the City's Community Engagement Network.

The Consultation Report is extensive (at around 780 pages) as it contains all feedback received from interested parties during the consultation period, as well as consultant analysis of the feedback. An Executive Summary has been included in the report to highlight the key consultation outcomes. Given the need for independent and unbiased community engagement and analysis of the outcomes, the City has not had any role in compiling or editing the report. The City has received the report and made it available to the Community via the City's website.

The full Consultation Report and Executive Summary can be found on the HOA webpage at <https://www.joondalup.wa.gov.au/kb/resident/hoa> and via the "Community Consultation" section of the City's website.

The consultation outcomes have been analysed by the consultants and are an integral input into the draft new planning framework, along with State Government Policy, State Government advice and direction, and the knowledge and expertise of the different consultant team members. It is requested that Council notes the outcomes of the Consultation Report and that it has informed the development of the draft new planning framework.

Implications for the new planning framework

The key issues, considerations and opportunities that arose from the engagement exercises and the consultant review of the existing planning framework have informed a proposed new approach to infill development in the City of Joondalup as well as a series of other recommended actions that could be taken by the City, outside of the planning framework, to achieve the complete, desired vision for the areas of increased density.

These recommendations outline that the City should undertake the following:

- Consider what amendments are necessary to the *Local Housing Strategy* to reflect the new policy position on infill development.
- Undertake a major review of the *Local Housing Strategy* before density is allocated to other areas of the City, outside the current HOAs.
- Consider future provision of activity centres/commercial land uses to meet demands of increased population in a future review of the *Local Commercial Strategy*.
- Consider initiatives for placemaking, economic development and investment attraction in context of a review of the City's economic development plan and any place activation strategies.
- Undertake traffic analysis of the proposed new approach to determine the likely trip generation for each area of higher density and the impact of these new trips on the 2031 road network. Assumptions should be made about the anticipated take-up rates of development opportunity.
- Consider improved access to community facilities and activity centres in any review of its *Bike Plan* and *Walkability Plan* and in the context of ongoing infrastructure and service delivery strategies.
- Work with the Public Transport Authority regarding network requirements having regard to the objectives of State Government to provide accessibility within Transit Oriented Development precincts.
- Consider preparation of a Public Realm Strategy for areas of higher density.
- Consider what enhancements and improvements are needed to areas of public open space in/near areas of increased density in a future review of its Parks and Open Space Classification Framework and as part of its five-year capital works programming.
- Consider appropriate methods of waste collection for larger developments, in the context of current and future waste collection contractual arrangements.

- Consider any implications on existing infrastructure resulting from intensification and increase in population. This may include both community and traditional infrastructure. This should be factored into a future major review of the *Local Housing Strategy* and any existing City infrastructure plans and processes.
- Consider preparation/implementation of a Community Needs Assessment that takes into account anticipated population growth.
- Use the outcomes of a Community Needs Assessment to prepare and implement a Community Infrastructure and Contribution Plan.
- Prepare a Planning Consultation Policy.
- Review and update the Terms of Reference for the Joondalup Design Reference Panel.

There are also matters that the City cannot address or control directly, such as improving public transport and restricting/preventing the development of affordable/social housing. However, the City will continue to engage with the Public Transport Authority to discuss public transport upgrade opportunities, as the areas of density grow over time and increased patronage from additional residents/visitors make improvements to public transport viable. The City will also continue to engage with the Department of Communities to clarify expectations about the standard of built form outcomes expected under the new planning framework.

DETAILS

Important issues to note

The City does not have carte blanche to include whatever it wishes in the new planning framework. The framework is required to align with the State Government's *Residential Design Codes* (R-Codes) and the recently released *State Planning Policy 7.3: Residential Design Codes Volume 2 – Apartments*. The latter is a state policy, that all local governments are required to apply, for apartments and mixed-use developments which focuses on improved design outcomes for apartments and will replace Part 6 of the R-Codes.

The City can change some aspects of these State planning policies, but if it wants to change others, those changes will need the approval of the WAPC. For this reason, the City needs to refer its draft new Local Planning Policy to the WAPC and the WAPC will need to approve the Local Planning Policy.

The City also needs WAPC approval to advertise the draft scheme amendment and once it has been advertised and then referred back to Council, the WAPC will need to formally consider the amendment and make a recommendation to the Minister for Planning. The Minister is the final decision-maker on the scheme amendment, not Council.

Infill development will always impact on existing areas and not everyone will support the new approach proposed by the consultant team. However, it is important to note that the consultants have based their proposed approach on State Government policy. Significantly deviating from, contradicting or ignoring State Government policy would put the City at risk of delaying approval of the new framework, which would not be in the best interests of the residents currently impacted by density.

Where increased density is proposed to occur

The consultants are of the view that, outside the Joondalup City Centre, the most appropriate locations for increased density at this time should be in the existing HOAs, and that the boundaries of the HOAs should not be altered at this stage.

The reasons for this are as follows:

- The criteria upon which the HOAs were initially based are still largely relevant and generally align with State Planning Policy and sound planning principles.
- If the City scrapped the existing HOAs and started the process again of identifying areas suitable for higher densities, it is likely that the City's whole *Local Housing Strategy* would need to be amended. This would significantly delay any solution for those currently affected by infill development.
- If the boundaries of the HOAs were expanded to allow density to spill beyond the existing boundaries, it is likely that the City's whole *Local Housing Strategy* would need to be amended. As above, this would significantly delay any solution for those currently affected by infill development.
- If the boundaries of the current HOAs were to contract and development rights were completely removed from properties currently in HOAs, this is likely to cause significant concern for residents who have bought properties based on the higher density coding.

Notwithstanding proposed retention of the current HOA locations and boundaries, the consultants have come up with a new approach to development within the HOAs that moves away from blanket density codes and uniform development controls and recognises that each HOA is different and that there are different areas within each HOA.

The new framework is a design-led framework that applies a finer-grained response to development control.

The use of density codes

Density codes are currently allocated to lots under the City's *Local Planning Scheme No. 3*. Density codes are used to link each lot to associated development standards in the State's existing *Residential Design Codes (R-Codes)* and the recently released *State Planning Policy 7.3: Residential Design Codes Volume 2 – Apartments (SPP7.3)*. This new State Planning Policy will replace Part 6 of the existing R-Codes when it becomes operational on 24 May 2019.

While SPP7.3 focuses on improved design outcomes for multiple dwellings, this policy does not apply to grouped dwellings, which can potentially have similar impact on existing residential areas as multiple dwellings. Until the State Government releases future policies dealing with precinct design and medium density development, the existing R-Codes will continue to guide the development of grouped dwellings.

Unfortunately, the R-Codes have limited flexibility, are generic in nature and do not respond to the complexities of development intensification in established low density areas. For this reason, the consultants are proposing scheme and policy provisions reflective of a finer-grained approach to development control and a shift away from the provisions or development standards in the R-Codes.

Given this, the density codes or R-Code "numbers" (R30, R40, R60) will no longer accurately reflect the development potential of lots. For this reason, the City and the consultant team would like to move away from the use of the R-Code numbers or density codes. However, this will not be possible and density codes will need to be allocated, even if the specific code will not accurately reflect the actual development potential of the lot.

In fact, full development potential under the allocated density codes will not be achievable in some instances because it is proposed to restrict certain types of dwellings in certain locations, multiple dwelling yield will be constrained in cul-de-sacs (in areas where they are permitted) and other new detailed development standards will also limit the building envelope on a lot.

The most notable of these development standards is the equivalent of a “green ratio”. Up until now, a combination of height, plot ratio and open space (which can include open car parking and driveways) have been the main drivers of the building envelope on a lot. It is now proposed to reverse this by mandating a certain amount of area on a site (within the overall open space) that can only be used for landscaping. Once this has been set aside, areas for parking and servicing need to be provided, and the area that is left determines the building envelope.

The draft new planning framework

The draft new planning framework will comprise:

- a Local Planning Policy
- a Scheme Amendment.

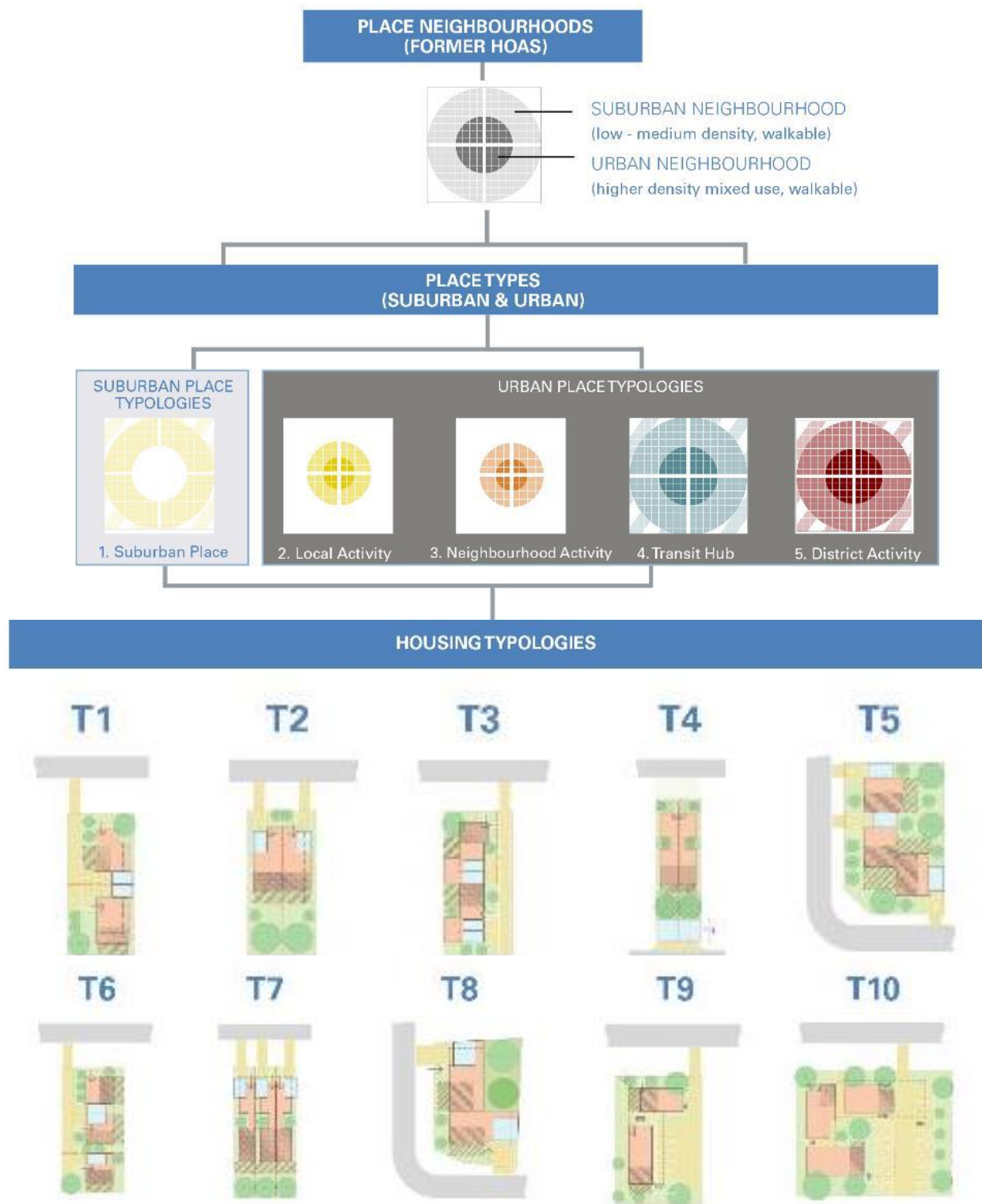
The Local Planning Policy is a more comprehensive document that outlines the planning rationale and methodology, as well as detailed provisions and requirements.

The Scheme Amendment gives stronger statutory effect to certain provisions and is the implementation mechanism for the new planning framework - in particular, the density codes that will apply to different lots.

The new framework (as summarised in the graphic below) will promote intensification of densities around centres and train stations, based on walkable neighbourhoods and transitioning of densities away from centres and train stations to existing suburban neighbourhoods.

This will be achieved as follows:

- The HOAs will now be known as Place Neighbourhoods.
- Each Place Neighbourhood will be divided into Urban Neighbourhoods and Suburban Neighbourhoods.
- Urban Neighbourhoods will be higher density, mixed-use walkable areas focused around centres or train stations and will generally have medium to higher densities.
- Suburban Neighbourhoods will sit outside the Urban Neighbourhoods, further away from the centres or train stations, and will generally be low to medium densities.
- Within each of these neighbourhoods, there will be different types of places with common characteristics, similar land use mixes and intensities of development.
- These different Place Types will be defined by walkable catchments around centres or train stations and are aspirational places of the future, each with their own vision and objectives.
- The size/extent of different Place Types, and the densities allowable in them, will vary based on the role and function of the centre or train station at their core.
- Within each Place Type, development will be controlled through the application of the following:
 - Density codes (as defined on the Scheme Map).
 - General Development Controls that apply to all development.
 - Housing Typology controls that apply to a particular type of housing, dependent on the Place Type it is developed in – noting that not all Housing Typologies will be permitted in all Place Types.
 - Transition Area controls that apply to lots which fall outside walkable catchments of centres and train stations.



The above information provides a high-level description of how the draft new planning framework is intended to function. This is expanded on in more detail below.

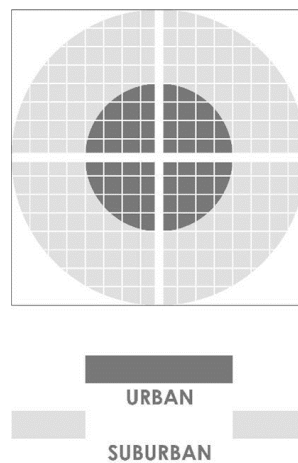
Neighbourhoods

It is proposed that higher density, outside the Joondalup City Centre should continue to be accommodated in the current areas identified for higher densities. These areas of higher density will no longer be known as Housing Opportunity Areas, but as *Place Neighbourhoods*.

Although the current areas for higher density are proposed to remain, the consultants are looking at a new approach to development within these areas. This new approach and the criteria the consultants have used are based wholly on sound planning principles and State Government policy and respond to the key areas of concern identified by the community through the initial consultation process.

The new approach moves away from blanket density codes and uniform development controls and recognises that each Place Neighbourhood is and should be different.

It also recognises that there are and should be different areas or smaller neighbourhoods within each Place Neighbourhood. Some smaller neighbourhoods will have a more urban character (Urban Neighbourhoods) and some will have a more suburban character (Suburban Neighbourhoods).



Urban Neighbourhoods will generally have medium to higher density (40 to 100 dwellings per hectare) and will be mixed use, walkable areas, focussed around nodes or centres. These Urban Neighbourhoods will not all be the same but will have different characteristics based on the role and function of the nodes or centres at their core.

Suburban Neighbourhoods will sit outside the Urban Neighbourhoods, further away and outside the walkable catchments around the centres or nodes.

Development in these Suburban Neighbourhoods will generally be low to medium density at around 20 to 40 dwellings per hectare. The predominant type of development in the Suburban Neighbourhoods will be single houses with some grouped dwellings closer to where the Urban Neighbourhood begins. There will be restrictions on multiple dwellings and large scale grouped dwelling developments in the Suburban Neighbourhoods.

Place Types

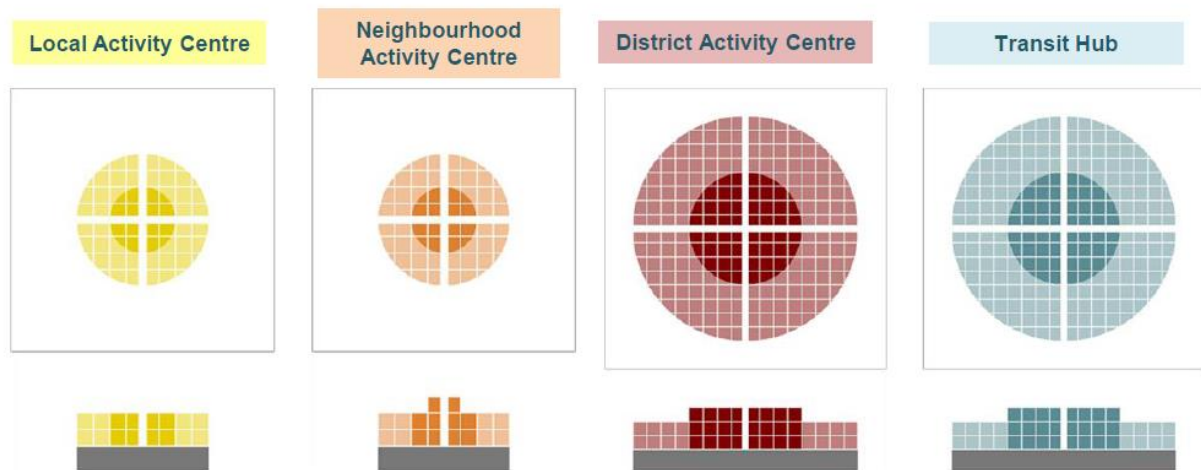
All Suburban Neighbourhoods will share the same characteristics and will generally be the same or similar types of places.

Not all Urban Neighbourhoods will share the same characteristics and may not be the same type of places.

Within each of the 10 Place Neighbourhoods there will be Suburban Neighbourhoods but there could be one or more different types of Urban Neighbourhoods, with different characteristics based on the role and function of the nodes or centres at their core.

As depicted below, the Urban Neighbourhoods will therefore be categorised as one of four different *Place Types*, as follows:

- Local Activity Centre.
- Neighbourhood Activity Centre.
- District Activity Centre.
- Transit Hub.



The size/extent of the different Place Types vary because the size of the walkable catchment applied around each centre or node is different – depending on the role and function of that centre or node.

Westfield Whitford City, for example, is a District Activity Centre. It has a different role and function to the Springfield centre in Kallaroo (Local Activity Centre), and its sphere of influence and attraction is much greater.

It is important to note that the Place Types are aspirational. They are not reflective of existing places but are the places of the future, each with their own vision and objectives.

How density has been allocated

The consultants have applied density codes to lots, based on actual walkability from transit nodes or centres.

Being within 200 metres of a centre equates to around a 2½ minute walk, being within 400 metres of a centre equates to around a five minute walk, while being within 800 metres of a centre equates to around a 10 minute walk.

Higher order transit nodes or centres will have higher densities allocated to lots within their walkable catchments. Lower order centres will have less density located to lots within their walkable catchments.

Density will be at its highest within the boundaries of the centre itself. Development within the centres will be controlled through separate planning mechanisms, such as Activity Centre Plans or Local Development Plans.

Outside the centre boundary, the closer to the centre a lot is, the higher its density code will be. Densities will decrease for lots that are further away from centres.

Using the above methodology, density codes have been applied to properties, based on different walkable catchments appropriate for the different Place Types, as per the table below:

	Suburban	Local Activity Centre	Neighbourhood Activity Centre	Transit Hub (non-activity)	District Activity Centre
Inside centre/station	n/a	R80	R80	R80+	As per ACP
0-200m	n/a	R40	R60	R60	R60
200-400m	n/a	R30	R40	R60	R60
400-800m	R30	R30	R30	R40	R40

As can be seen from the above table, for Local Activity Centre Place Types, lots within a walkable catchment of 200m (or a 2½-minute walk) from the centre, will have a density of R40. Lots that fall within a walkable catchment of 200-800 metre (or a five to 10 minute walk) from the centre will have a density of R30.

For Neighbourhood Activity Centre Place Types, lots within a walkable catchment of 200 metres (or a 2½-minute walk) from the centre will have a density of R60. Lots that fall within a walkable catchment of 200-400 metre (or a five-minute walk) from the centre, will have a density of R40. Lots that fall within a walkable catchment of 400 to 800 metre (or a five to 10-minute walk) from the centre will have a density of R30.

For Transit Hubs and District Activity Centre Place Types, lots within a walkable catchment of 0-400 metres (or a five-minute walk) of the node/centre will have a density of R60. Lots that fall within a 400 to 800 metres (or a five to 10 minute walk) from these nodes/centres will have a density of R40.

Suburban Place Types fall outside the walkable catchments of nodes and centres and, therefore these areas will have a maximum density of R30.

As mentioned earlier, it is important to note that this density is not an automatic reflection of development potential. Multiple dwellings (apartments) will only be allowed in certain Place Types, yield will be moderated in cul-de-sacs and more stringent controls may reduce development potential of a lot.

Transition Areas

When the consultants applied the different Place Types and associated densities to the 10 Place Neighbourhoods (formerly HOAs), there were instances where “gaps” arose between different Place Types.

An example of this is the pink “hatched” area on the map below, where a number of properties fall between the higher density Place Types around the Warwick train station and the Warwick shopping centre. In this area, density should theoretically drop back to R20 as it is outside the walkable catchments to the station and the shopping centre.

However, it does not make sense to have a small pocket of R20 surrounded by higher density development and therefore the consultants propose to classify this as a Transition Area, with some increased density to reflect the density of adjoining Place Types but with specific Transition Area development controls.



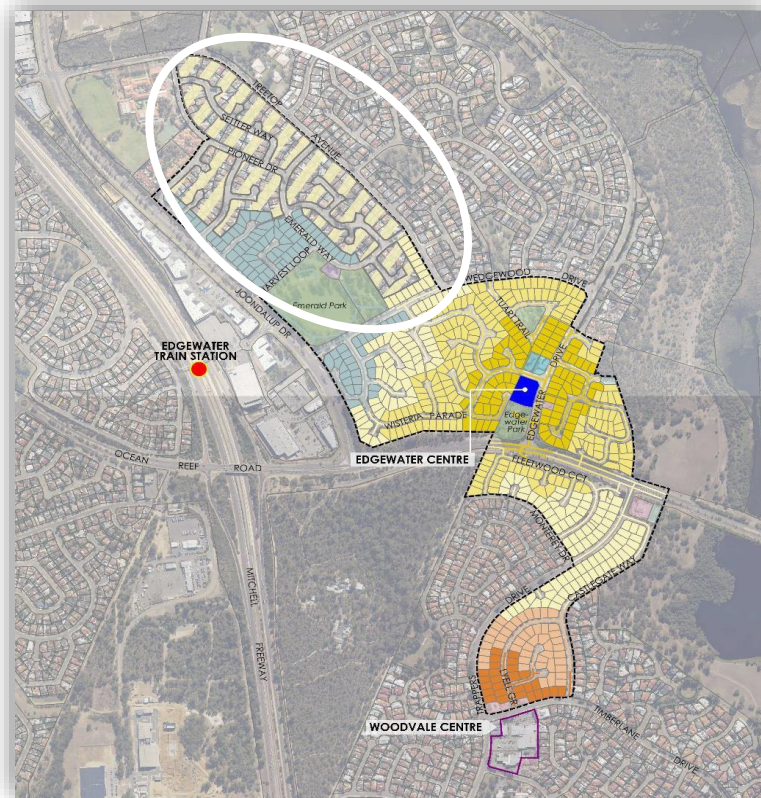
There were also instances where gaps arose between Place Types and the Place Neighbourhood (HOA) boundaries.

An example of this is the yellow “hatched” area on the map below, where a number of properties fall between the higher density Place Type around the Edgewater train station and the existing R20 outside the boundary of the Place Neighbourhood (HOA). In this area, density should theoretically drop back to R20 as it is outside the walkable catchment to the train station.

However, in areas like these, consideration should be given to the fact that:

- people may have bought and invested in properties in these areas based on the redevelopment potential currently afforded to them
- residents in the HOAs have (generally) indicated they would be satisfied with some density (around R30)
- some transition of character may have begun as development at the current, higher densities may have already occurred.

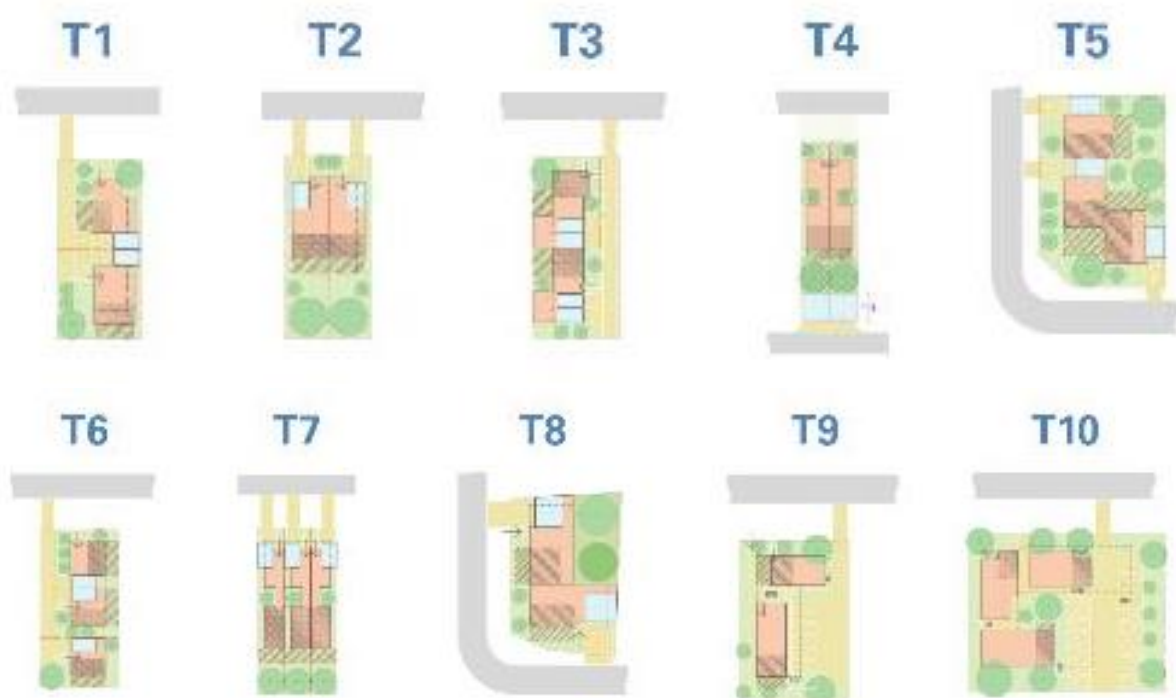
Therefore, the consultants propose to classify areas like these as Transition Areas, with some lower density to still enable redevelopment of land, but with stricter controls to transition between the Place Types and existing R20 development outside the Place Neighbourhoods (HOAs).



Housing Typologies

In addition to a single residential dwelling, the consultants have identified ten other Housing Typologies, which were presented and tested with the community at the Community Design Workshops:

HOUSING TYPOLOGIES



The consultants have also established different development standards for each of the Housing Typologies relative to the different Place Types that could be developed in as outlined in Attachment 2 to Report CJ052-05/19.

As mentioned earlier in this report, not all types of housing will be allowed in all the Place Types, including the Transition Areas. The development standards for each Housing Typology make it clear which Place Type that Housing Typology can be developed in.

Of particular interest, it should be noted that:

- certain, smaller grouped dwelling developments will not be permitted within District Activity Centre or Transit Hub Place Types
- certain, smaller grouped dwelling developments will not be permitted within 200 metres of Neighbourhood Activity Centre Place Types
- multiple dwellings (other than Manor Houses on corner lots) will not be permitted in the Suburban Place Types or the outer walkable catchment of Local Activity Centre Place Types.

Structure of the new planning framework

Currently, all applications for residential development need to be assessed against the State Government's *Residential Design Codes* (R-Codes).

For each design element in the R-Codes (such as open space, setbacks, privacy, and so on) there are objectives that need to be met. Within the R-Codes there are two different sets of standards that are used to assess whether development proposals meet the objectives of the R-Codes – “Deemed-to-Comply” standards and “Design Principles”.

The deemed-to-comply standards are specific, measurable development standards. If a development proposal meets these specific standards, it is automatically considered to have met the objectives.

If, however, it does not meet these specific deemed-to-comply standards, the development can then be assessed against the alternative design principles, which are more performance-based in nature. Given the less specific performance-based nature of these design principles, the City undertakes a professional assessment to determine whether the proposal meets the design principles, and therefore the objectives. When an assessment determines that a proposal complies with the design principles, this does not mean that variations or concessions are being granted.

The draft new *Place Neighbourhoods Local Planning Policy* (Attachment 2 refers) is structured and will function a little differently and aligns with the terms used in the new State Planning Policy 7.3 (SPP 7.3) relating to apartment design. Like SPP 7.3, the draft new policy will also contain 'Objectives' that each development proposal needs to meet and 'Acceptable Outcomes' which will assist in meeting the objectives. Unlike the current R-Codes, there is no longer a 'Deemed-to-Comply' approval pathway.

It is important to note that the new policy will not completely replace the R-Codes and the new SPP 7.3 (relating to apartment design). Some standards from both these documents are still considered suitable and the new planning policy will defer to these sound and relevant standards, where appropriate.

Specific provisions of interest

As part of the community engagement process, participants were asked to highlight their top two priorities for the design of new housing developments. Given the feedback received from the community, there are certain development provisions worth highlighting in this report.

Minimum lot frontages

Currently *Local Planning Scheme No. 3* only contains provisions requiring a minimum lot frontage of 10 metres for single and grouped dwellings and 20 metres for multiple dwellings.

This is causing some issues as, specifically, the 10 metres lot frontage requirement does not readily allow the development of terrace style dwellings (for instance side by side attached dwellings) and forces the development of battle-axe style duplexes and triplexes, or multiple dwellings.

The consultants propose to retain the provision requiring a minimum frontage of 10 metres, unless the proposal is for terrace lots, development on a laneway or seeks to create rear access lots. In these cases, the draft new provisions allow a minimum lot width of 7.5 metres for lots coded R25 and R30, and six metres for lots coded R40 and above.

This will allow for more flexibility and improved built form outcomes.

Open space / landscaping / trees

One of the key issues and concerns raised by the community was the removal of trees, erosion of open space and insufficient landscaping on private properties and verges.

Currently, the R-Codes and the City's *Residential Development Local Planning Policy* only contain provisions relating to the overall amount of open space on site (and what is and is not open space) and the amount of landscaping required in the front setback area between the buildings and the property boundary.

Current open space provisions include open car parks and driveways and do not necessarily correlate with the amount of green space on a site.

Therefore, in response to community concerns and in addition to the general open space provisions, the proposed new policy introduces a "green ratio" or a landscape area, which must be a percentage of the total lot area, as follows:

Lot Area (m ²)	Minimum Landscape Area
0 – 300m ²	20%
301 – 400m ²	25%
401 – 500m ²	30%
500m ² +	35%

The new draft policy also requires that the landscape area has a minimum dimension to function as intended.

Other new provisions proposed also include a minimum landscape area in the front setback, minimum tree sizes and minimum areas for deep soil zones, a minimum number of trees and incentives for retaining mature trees.

The planting of one street tree per 10 metres of lot frontage is a requirement of the City's existing policy and the consultants propose to retain it.

Built form and scale

Other key concerns raised by the community were the quality of built form and scale of new development and how it fits into the existing context, as well as the liveability of new development occurring. In response, the new draft policy includes a minimum floor area for dwellings, minimum dimensions for habitable rooms, minimum ceiling heights and a requirement for garages not to exceed a certain percentage of the lot frontage.

The Housing Typology controls will limit the height of all dwellings in the Suburban and Local Centre Place Types to the equivalent of two storeys. Some Housing Typologies may be able to go to three storeys in the more intense Urban Place Types, subject to conditions.

Parking

The community was also concerned about the adequacy of current parking requirements and the impact that formalised verge parking is currently having on established streetscapes.

The City's current *Residential Development Local Planning Policy* already requires more visitor parking than the R-Codes does.

The consultants propose to amend this current standard, still above the current R-Code requirements, and require a minimum of one visitor bay per development. The consultants also propose to move away from requiring applicants to construct formal visitor bays in the verge. The intent of the City's current *Street Verge Guidelines* to not allow additional hardstand areas (other than crossovers and footpaths) in the verge within infill areas will remain.

Instead, if applicants cannot comfortably fit all visitor parking on site without affecting the on-site landscape area required, then applicants will be able to informally locate a visitor bay on certain types of streets (not in the verge) – as this will not only slow down traffic but will also preserve verge areas for tree planting and other landscaping. Where visitor parking cannot or should not be accommodated on the street, the visitor parking will need to be accommodated on the development site.

The current policy requirements for resident parking align with the R-Codes and the consultants propose to leave these as they are, as they are appropriate. However, the consultants do propose an alternative way of measuring proximity to train and bus services. Currently, the R-Codes measure proximity in a straight line and to any part of a bus route. The consultant approach is more refined and proposes to measure along pedestrian routes and to bus stops, providing a more realistic proximity to a service.

Scheme amendment

Local Planning Scheme No. 3 provides the statutory framework to guide development throughout the City of Joondalup.

An amendment to the scheme must be undertaken in order to give statutory effect to the new planning framework prepared by the consultants. It is proposed to do this through establishing a 'Special Control Area' for the proposed Place Neighbourhoods.

Special Control Areas (SCAs) are a mechanism used in planning schemes to identify areas which are significant for a particular reason and where special provisions in the Scheme may need to apply. These provisions typically target a single issue or related set of issues and typically set out the objectives of SCAs, specific development requirements and any other matters to be taken into account in determining development proposals.

In summary, the scheme amendment will establish the Place Neighbourhoods SCA, through:

- identifying extent of SCA boundaries on the Scheme Map
- amending the density coding of existing dual density coded lots within the City's HOAs to a single density, reflecting the walkable catchment criteria applied by the consultant team
- incorporating a series of objectives that the SCA and its related development standards seek to achieve
- defining the Place Type principle
- incorporating key standards for development that are considered fundamental to achieving good built form outcomes within the Place Neighbourhoods.

What goes into the draft new local planning policy versus the scheme amendment

As outlined above, it is proposed to include some key development standards in the scheme amendment (and therefore the scheme itself) that are already contained in the draft new local planning policy. These development standards are considered to be the most important in ensuring appropriate built form outcomes are achieved in the proposed Place Neighbourhoods.

By including these standards in the scheme, they will have greater statutory weight and will provide the City with a greater ability to enforce them. While discretion will still be able to be considered, having certain provisions embedded in the Scheme will also mean more regard will need to be given to them in the event they become the subject of an appeal before the State Administrative Tribunal.

It is not appropriate to put all policy standards into the scheme. In some instances, development standards are performance-based rather than a prescriptive standard and therefore it is not possible to mandate an outcome with a scheme provision. Placing all policy standards in the scheme would also remove flexibility and control from Council in policy decision-making. Currently, only certain policy matters require State Government consideration, via the WAPC. If an entire policy was to be incorporated into the Scheme, this would mean the entire policy (as opposed to just certain elements) would require WAPC consideration and would also mean that the policy would require approval from the Minister for Planning. This would also apply to any refinements or future modifications, irrespective of scale, effectively removing a level of control from Council in determining policy direction.

Other considerations

Dwelling targets

The State Government has established strategic direction to provide 47% of growth within existing suburbs and, in doing so, has set minimum dwelling targets for each local government. The initial minimum infill target for the City was 12,700 additional dwellings (to 2031), but this target has now been revised by the State Government to 20,670 additional dwellings (to 2050).

For local governments like the City of Joondalup, the majority of additional dwellings will come via infill development. Some limited dwelling growth will come from remaining greenfield areas of the City and development within activity centres, most notably, the Joondalup Activity Centre (JAC).

The *Joondalup Activity Centre Plan* includes dwelling targets specifically for the JAC to 2031 (5,371 dwellings) and to 2050 (8,962 dwellings). This is an overall dwelling target, rather than additional dwellings. In 2015, the JAC had approximately 2,036 dwellings. Accordingly, the targeted dwelling growth in the JAC is 3,335 additional dwellings to 2031 and 6,926 additional dwellings to 2050, being 26% and 33% of the State Government targets respectively.

While the JAC has the capacity for some of the future dwelling growth, it was never intended that it would accommodate the entire infill growth target set by the State Government, and it would not be appropriate to do so. While the JAC has the potential to provide a higher density housing and lifestyle, it is also important to provide choice and diversity in dwelling type and lifestyle throughout all of the City of Joondalup to allow existing residents to transition within their community and also provide opportunities for new residents to join a community.

Yield analysis has been undertaken by the consultants which demonstrates that the draft new planning framework has the ability to achieve the dwelling targets set by State Government (when also considering the dwelling potential within the JAC and the remaining greenfield development).

Notwithstanding the above, it is important to note that the draft new planning framework is fundamentally guided by place-based and design-led principles, as was the direction set by Council as part of its resolution at its meeting held on 21 November 2017 (CJ177-11/17 refers), rather than being structured to simply meet a minimum target.

The draft new planning framework identifies key nodes of activity and sets densities, consistent with State Government policies and based on actual walkability, to provide opportunities for population growth within close proximity and easily accessible to nodes of activity.

As a consequence, the draft new planning framework also provides an opportunity for the nodes of activity to remain sustainable and viable by potentially locating a greater immediate catchment to support them.

Traffic and network capacity

There is a need to test the potential impact of the draft new planning framework on the road network.

The yield analysis completed is being used to inform traffic modelling which is currently being undertaken.

Any changes to the draft new planning framework that effects the potential number of dwellings that can be developed on a lot (the yield potential), will also likely influence the potential impacts on the road network.

Design WA and the City's Residential Development Local Planning Policy

State Planning Policy 7.3 Residential Design Codes Volume 2 – Apartments (SPP7.3), which forms part of Stage One of Design WA will take effect from 24 May 2019. This policy will replace the current multiple dwelling requirements (Part 6) of the R-Codes.

Multiple dwellings in HOAs are currently assessed against the requirements of the R-Codes and the provisions of the City's *Residential Development Local Planning Policy* that replace R-Code provisions.

The visitor car parking requirements of the City's *Residential Development Local Planning Policy* (which require more visitor parking than the R-Codes) will automatically be replaced by the new requirements of SPP7.3, meaning:

- The City's *Residential Development Local Planning Policy* requirement for the provision of 0.5 bays per multiple dwelling (apartment) will be replaced with a requirement for one bay per four dwellings up to 12 dwellings and one bay per eight dwellings for the 13th dwelling and above.

Street setbacks, building height and fencing requirements of the City's *Residential Development Local Planning Policy* will not be automatically replaced. These will now be considered 'Acceptable Outcomes' for the purposes of SPP7.3; however, developments will still need to satisfy the objectives for each criterion.

In regard to the local housing objectives contained in the City's *Residential Development Local Planning Policy*, it is considered that the design-based focus and objectives for multiple dwellings under SPP7.3 will provide for more comprehensive guidance and control for these developments.

Any formal amendment to the City's *Residential Development Local Planning Policy* to retain the current visitor parking requirement would be subject to approval by the WAPC. Given the progression of the new planning framework for infill development and that this will ultimately replace the City's *Residential Development Local Planning Policy* to the extent it applies to these areas, it is proposed not undertake any formal amendments to the *Residential Development Local Planning Policy* at this time.

However, a full review of this policy will be undertaken following the finalisation of the new planning framework to review development provisions that will apply to all residential development in the City.

ISSUES AND OPTIONS CONSIDERED

In considering the draft new planning framework for infill development, Council has the following options:

- 1 proceed with the draft new planning framework for the purposes of advertising
- 2 request modifications to the draft new planning framework prior to proceeding to advertising
or
- 3 not to proceed with the draft new planning framework.

Option 1

If Council decides to proceed with the draft new planning framework for the purposes of advertising, the City will seek approval from the EPA and the WAPC to advertise the scheme amendment. Once EPA and WAPC approval is granted, the City will commence community consultation on the draft new planning framework as quickly as possible.

This option is the preferred option and will progress toward a more considered planning framework to better manage the impact of infill development in the quickest possible time.

Option 2

If Council decides to request modifications to the draft new planning framework, prior to proceeding to advertising, this will delay the timing within which community consultation can be undertaken.

Any changes requested by Council at this stage, before community feedback has been received on the draft new planning framework, could potentially also undermine the impartial and objective approach taken by the consultant team - based on the outcomes of early community engagement and independent technical analysis.

Option 3

If Council decides not to proceed with advertising the draft new planning framework, it is likely that the current community concern about the impacts of infill development will remain as the current framework will continue to apply.

Further, in March 2018, the Minister for Planning wrote to the Mayor, urging the City to clarify its position in relation to infill development. If Council elects not to proceed at this stage, it is open to the Minister for Planning to take a more active role and direct certain changes be undertaken, as has been the case with other local government authorities. This will remove Council from the decision-making process.

Legislation / Strategic Community Plan / policy implications**Legislation**

Planning and Development Act 2005.
Planning and Development (Local Planning Schemes) Regulations 2015.
State Planning Policy 3.1: Residential Design Codes.
State Planning Policy 7.3: Residential Design Codes Volume 2 – Apartments.
Local Planning Scheme No. 3.

Strategic Community Plan**Key theme**

Quality Urban Environment.

Objective

Quality built outcomes.

Strategic initiative

Building and landscape is suitable for the immediate environment and reflect community values.

Policy

Residential Development Local Planning Policy.

Scheme amendments

Part 5 of the *Planning and Development Act 2005* along with the *Planning and Development (Local Planning Schemes) Regulations 2015* (the Regulations) enables a local government to prepare or amend a local planning scheme and sets out the process to be followed.

Under the Regulations, scheme amendments are classified as being basic, standard or complex amendments. In resolving to proceed with an amendment, Council needs to specify the amendment type and explain the reason for that classification. As the proposed scheme amendment is not consistent with the City's *Local Housing Strategy*, it is classed as a complex amendment under the Regulations. Complex amendments are required to be referred to the WAPC for advice as to whether any modifications to the documents are required prior to advertising.

Should Council resolve to proceed with the proposed amendment for the purposes of public advertising, the proposed amendment is required to be referred to the EPA to decide whether or not a formal review is necessary. Should the EPA decide that an environmental review is not required, and notifies the City accordingly, then it will be necessary to proceed to advertise the proposed scheme amendment for a minimum of 60 days, provided the WAPC has approved advertising, as outlined above.

Upon closure of the advertising period, Council is required to consider all submissions received and to either adopt the amendment, with or without modifications, or refuse to adopt the amendment. The decision is then forwarded to the WAPC, which makes a recommendation to the Minister for Planning. The Minister can either grant final approval to the amendment, with or without modifications, or refuse the amendment.

Local Planning Policies

Part 2 of Schedule 2 of the Regulations enables a local government to prepare a local planning policy and sets out the process to be followed. In the case of residential development, *State Planning Policy 3.1: Residential Design Codes* and *State Planning Policy 7.3: Residential Design Codes Volume 2 – Apartments* provide specific guidance on what elements of each document can be modified by local governments and which cannot, and also clarify, of those elements which can be modified, which ones require approval of the WAPC.

The Department of Planning, Lands and Heritage has previously advised that it will consider local planning policies following consultation and Council's consideration so that they are considering the 'final' version adopted by the local government, rather than a version that may be subject to change following consultation.

The new draft local planning policy has been prepared within the scope of what is able to be modified via a local planning policy; however, will require the approval of the WAPC.

Accordingly, should Council resolve to proceed with the proposed local planning policy for the purposes of public advertising, then community consultation will be undertaken. As the draft policy and the draft scheme amendment are intrinsically linked, it is intended that the draft local planning policy will be advertised concurrently with the scheme amendment.

Upon closure of the advertising period, Council is required to consider all submissions received and to either proceed with the policy, with or without modifications, or not proceed with the policy. In this case, should Council elect to proceed, the local planning policy will then be forwarded to the WAPC to request approval. The WAPC may grant approval, with or without modifications or elect not to grant approval.

Risk management considerations

Throughout the preparation of the draft new planning framework, there has been a range of initiatives employed to manage risk as much as possible.

Stakeholder engagement

Extensive stakeholder engagement was undertaken to ensure that the draft new planning framework has been developed balancing input from all stakeholders. Regular engagement with the Department of Planning, Lands and Heritage has also been undertaken to familiarise the Department with the methodology behind the new approach, so as to reduce the risk that fundamental issues will arise at a later date.

Alignment with State Government framework

The draft new planning framework has been prepared to align with the current State Government framework, while still incorporating matters of local context. In incorporating these local contextual elements, the new planning framework has ensured these elements are within the scope of what the State Government allows local governments to amend. This approach minimises the risk in time delays in progressing the new planning framework and also means that the framework is more likely to be accepted, and therefore approved, by the State Government.

Timeframes

The consultant team has undertaken a significant amount of work in a short timeframe. A tight timeframe was set for the project to respond to community concern and to advance the new planning framework as quickly as possible to ensure as much redevelopment of the City's infill areas is guided by the new planning framework as possible.

As outlined above, there is a risk that if Council decides not to proceed with advertising the draft new planning framework, it is likely that the current community concern about the impacts of infill development will remain. Further, there is also a risk that Council may be removed from the decision-making process if the Minister for Planning decides to intervene in the event Council choose not to.

Financial / budget implications

If Council agrees with the recommendations of this report, and the Environmental Protection Authority and Western Australian Planning Commission provide consent, the draft new planning framework will be advertised for public comment.

In addition to the cost of staff time, other costs will be incurred for this consultation process. Although the costs that will be incurred are yet to be determined, it is likely they will be in the region of \$50,000.

Regional significance

The City's infill areas were established through its *Local Housing Strategy* in response to a State Government strategic direction of accommodating 47% of population growth within existing suburbs. This direction seeks to limit urban sprawl throughout broader metropolitan Perth which has the impact of locating people in areas with poor access to employment, services and also requires expensive infrastructure to service.

The State Government has set minimum dwelling targets for each local government. To demonstrate how the City was going to achieve its targets, it was required to prepare a Local Housing Strategy. The recommendations of the *Local Housing Strategy* resulted in the City's current infill areas (or Housing Opportunity Areas), and the planning framework that currently underpins these areas.

The draft new planning framework continues to respond to this overarching State Government strategic direction by providing increased densities, in appropriate locations, to support infill development.

Sustainability implications

As outlined above, at a more regional level, the draft new planning framework continues to support the State Government strategic direction of minimising urban sprawl, which is generally considered to be an unsustainable form of growth for a city.

At a more site-specific level, the draft new planning framework includes a number of sustainability initiatives, include the following:

- A fundamental shift in focus toward a 'green ratio'. The draft new planning framework mandates that a certain amount of area on a site be set aside for landscaping and includes specific controls as to how this landscape area should function and be treated to place a greater emphasis on the provision of tree canopy cover.
- Development standards to allow visitor parking, in some instances, to occur informally on the street, or to be contained within the development site. This results in more verge area that can be dedicated to landscaping and greening the public realm.
- Built form provisions to make better use of access to sunlight and cross ventilation to reduce reliance on artificial heating and cooling of dwellings.

CONSULTATION

As outlined in the Background section of this report, the consultant team engaged extensively during 2018, and the outcomes of this consultation have been used by the consultants to inform their preparation of the draft new planning framework, comprising a local planning policy and scheme amendment.

If Council agrees to proceed to advertise the draft local planning policy and scheme amendment, and once the Environmental Protection Authority and the Western Australian Planning Commission have consented to the advertising of the scheme amendment, the City will commence a second round of engagement and consultation with the community to:

- communicate and explain the proposed new approach to infill development
- seek feedback and determine the level of community support for the proposed new planning framework for infill development.

It is intended that consultation will be undertaken as follows:

- Letters and brochures will be sent to:
 - everyone who owns property or lives in one of the 10 Place Neighbourhoods (HOA)
 - everyone who lives adjacent to a Place Neighbourhood (HOA)
 - resident and ratepayer groups
 - industry stakeholders
 - relevant State Government Departments
 - adjoining Local Government Authorities
 - local businesses in or adjacent to each Place Neighbourhood (HOA).

These letters will explain the project and advise people of the engagement and direct them to the 'Community Consultation' section of the City's website and to the HOA webpage.

- Emails will be sent to:
 - attendees at Listening Posts who provided email addresses
 - attendees at Community Design Workshops who provided email addresses
 - other people who registered for updates
 - people who made direct contact with the City regarding the project
 - community Engagement Network members
 - utility providers
 - Local Members of Parliament.

These emails will explain the project and advise people of the engagement and direct them to the 'Community Consultation' section of the City's website and to the HOA webpage.

- Detailed information (including videos) will be placed on the HOA webpage and via the City's website to:
 - explain the proposed new planning framework
 - answer frequently asked questions
 - outline the processes to be followed
 - link residents to an online survey.
- Notices will be placed in the *Joondalup Community newspaper*.
- Notices will be placed through the City's social media platforms.
- Continued use of a dedicated telephone line and email address.
- Briefing of local Members of Parliament.
- Three Community Information Sessions will be held at different times and locations. City staff and consultants will be available at these sessions to explain the proposed new framework and answer any questions.

COMMENT

The consultant team has undertaken a significant amount of work in a short timeframe since appointment in July 2018, which has included extensive community and stakeholder engagement, as well as detailed analysis and testing of development standards.

The draft new planning framework proposes a comprehensive response to managing the impact of infill development in the proposed Place Neighbourhoods (formerly Housing Opportunity Areas). The draft new planning framework integrates outcomes of community and other stakeholder engagement with consideration against existing State Government policy.

The draft new planning framework achieves this through:

- maintaining the current infill boundaries and formalise them as 'Special Control Areas' under the City's *Local Planning Scheme No. 3*
- revising the term 'Housing Opportunity Area' to 'Place Neighbourhood'
- removing the dual density code and allocating density within the Place Neighbourhoods based on walkable catchments to nodes such as activity centres and train stations
- elevating the importance of design and built form standards in determining the number of dwellings per lot and development outcomes, as opposed to an underlying density code. As such, it is critical that the density code be considered in conjunction with the proposed scheme and policy standards

- moderating development potential of multiple dwellings in cul-de-sacs
- introducing the requirement for a 'green ratio' in development, being a minimum provision of landscape area and tree provision
- Recognising that each of the City's ten Place Neighbourhoods have their own unique characteristics.

In order to progress this draft framework and move toward a more considered approach to managing infill development, it is recommended that Council endorses the draft local planning policy and draft scheme amendment for the purposes of public advertising.

VOTING REQUIREMENTS

Simply Majority.

OFFICER'S RECOMMENDATION

That Council:

- 1 NOTES the *Planning Framework Consultation Report* prepared by Creating Communities has been made available on the City's website, and that the report has been used to inform the formulation of the draft new planning framework;
- 2 NOTES the *Background Review and Analysis – Key Findings and Recommendations Report* detailed as Attachment 1 to Report CJ052-05/19;
- 3 Pursuant to regulation 35 (2) of the *Planning and Development (Local Planning Schemes) Regulations 2015* RESOLVES that Scheme Amendment No. 3 is a complex amendment as the proposal is not consistent with the City of Joondalup *Local Housing Strategy*;
- 4 Pursuant to section 75 of the *Planning and Development Act 2005* and regulation 37 (1) of the *Planning and Development (Local Planning Schemes) Regulations 2015*, RESOLVES to proceed to advertise Scheme Amendment No. 3 to the *City of Joondalup Local Planning Scheme No. 3* to amend the Scheme Text and Map as set out in Attachment 3 to Report CJ052-05/19, for the purposes of public advertising for a period of 60 days;
- 5 SUBMITS Scheme Amendment No. 3 to the Western Australian Planning Commission to advise if any modifications are required to the documents prior to advertising;
- 6 Pursuant to clauses 3 and 4 of schedule 2 of the *Planning and Development (Local Planning Schemes) Regulations 2015*, PREPARES and ADVERTISES the draft *Place Neighbourhoods Local Planning Policy*, as shown in Attachment 2 to Report CJ052-05/19, for a period of 60 days;
- 7 NOTES that the draft *Place Neighbourhoods Local Planning Policy* and Scheme Amendment No. 3 collectively make up the draft new planning framework for infill development in the City of Joondalup and will, therefore, be advertised concurrently once approvals to advertise have been received from the Western Australian Planning Commission and the Environmental Protection Authority;

- 8 NOTES the implications of Design WA and the interim application of the City's *Residential Development Local Planning Policy* as outlined in Report CJ052-05/19;
- 9 NOTES that any new planning framework will not come into effect until Scheme Amendment No. 3 is approved by the Minister for Planning.

C31-05/19 PROCEDURAL MOTION – THAT THE ITEM BE REFERRED BACK - [01122, 02154]

MOVED Mayor Jacob, SECONDED Cr Poliwka that Item CJ052-05/19 – Draft New Planning Framework for Infill Development, BE REFERRED BACK to the Chief Executive Officer to allow:

- 1 relevant provisions of *Section Three: General Development Provisions* of the draft *Joondalup Place Neighbourhoods Local Planning Policy* to be extracted and compiled to form a separate, new local planning policy and scheme amendment for Council's consideration at an upcoming Council meeting;
- 2 the City to engage and consult with the community on the draft *Joondalup Place Neighbourhoods Local Planning Policy* and Scheme Amendment No. 3 to the *City of Joondalup Local Planning Scheme No. 3*, ahead of any formal initiation of Scheme Amendment No. 3.

The Motion was Put and

CARRIED (12/0)

In favour of the Motion: Mayor Jacob, Crs Chester, Dwyer, Fishwick, Hollywood, Jones, Logan, McLean, May, Norman, Poliwka and Taylor.

Appendix 7 refers

To access this attachment on electronic document, click here: [Attach7brf190514.pdf](#)

CJ053-05/19 EXECUTION OF DOCUMENTS

WARD	All
RESPONSIBLE DIRECTOR	Mr Garry Hunt Office of the CEO
FILE NUMBER	15876, 101515
ATTACHMENTS	Attachment 1 Documents executed by affixing the Common Seal during the period 2 April to 29 April 2019
AUTHORITY / DISCRETION	Information - includes items provided to Council for information purposes only that do not require a decision of Council (that is for 'noting').

PURPOSE

For Council to note the documents executed by means of affixing the Common Seal for the period 2 April to 29 April 2019.

EXECUTIVE SUMMARY

The City enters into various agreements by affixing the Common Seal. The *Local Government Act 1995* states that the City is a body corporate with perpetual succession and a Common Seal. Those documents that are to be executed by affixing the Common Seal or signed by the Mayor and the Chief Executive Officer are reported to Council for information on a regular basis.

It is therefore recommended that Council NOTES the Schedule of Documents executed by means of affixing the Common Seal for the period 2 April to 29 April 2019, as detailed in Attachment 1 to Report CJ053-05/19.

BACKGROUND

For the period 2 April to 29 April 2019, four documents were executed by affixing the Common Seal. A summary is provided below:

Type	Number
Licence	1
Deed of Renewal of Lease	1
Section 70A Notification	1
Public Access Easement	1

DETAILS**Issues and options considered**

Not applicable.

Legislation / Strategic Community Plan / Policy implications**Legislation****Strategic Community Plan**

Key theme Governance and Leadership.

Objective Corporate capacity.

Strategic initiative Demonstrate accountability through robust reporting.

Policy Not applicable.

Risk management considerations

Not applicable.

Financial / budget implicationsCurrent financial year impact

Not applicable.

Future financial year impact

Not applicable.

Regional significance

Not applicable.

Sustainability implications

Not applicable.

Consultation

Not applicable.

COMMENT

The documents that have been executed by affixing the Common Seal of the City of Joondalup are submitted to Council for information (Attachment 1 refers).

VOTING REQUIREMENTS

Simple Majority.

MOVED Mayor Jacob, SECONDED Cr Jones that Council NOTES the Schedule of Documents executed by means of affixing the Common Seal for the period 2 April to 29 April 2019, as detailed in Attachment 1 to Report CJ053-05/19.

The Motion was Put and CARRIED (12/0) by Exception Resolution after consideration of CJ069-05/19, page 219 refers.

In favour of the Motion: Mayor Jacob, Crs Chester, Dwyer, Fishwick, Hollywood, Jones, Logan, McLean, May, Norman, Poliwka and Taylor.

Appendix 8 refers

To access this attachment on electronic document, click here: [Attach8brf190514.pdf](#)

CJ054-05/19 CORPORATE BUSINESS PLAN QUARTERLY PROGRESS REPORT FOR THE PERIOD 1 JANUARY TO 31 MARCH 2019

WARD	All
RESPONSIBLE DIRECTOR	Mr Jamie Parry Governance and Strategy
FILE NUMBER	20560, 101515
ATTACHMENTS	Attachment 1 Corporate Business Plan Quarterly Progress Report for the period 1 January 2019 to 31 March 2019 Attachment 2 Capital Works Program Quarterly Report for the period 1 January 2019 to 31 March 2019
AUTHORITY / DISCRETION	Information - includes items provided to Council for information purposes only that do not require a decision of Council (that is for 'noting').

PURPOSE

For Council to receive the *Corporate Business Plan Quarterly Progress Report* for the period 1 January to 31 March 2019 and the *Capital Works Quarterly Report* for the period 1 January to 31 March 2019.

EXECUTIVE SUMMARY

The City's *Corporate Business Plan 2018-19–2022-23* is the City's five year delivery program which is aligned to the strategic direction and priorities set within the 10 year *Strategic Community Plan: Joondalup 2022*.

The *Corporate Business Plan* contains the major projects and priorities which the City proposes to deliver over the five year period and also specific milestones for projects and priorities in the first year (2018-19).

The *Corporate Business Plan Quarterly Progress Report* for the period 1 January to 31 March 2019 provides information on the progress of 2018-19 projects and programs against these quarterly milestones and is shown as Attachment 1 to Report CJ054-05/19.

A *Capital Works Quarterly Report*, which details all projects within the Capital Works Program, is provided as Attachment 2 to Report CJ054-05/19.

It is therefore recommended that Council RECEIVES the:

- 1 *Corporate Business Plan Quarterly Progress Report for the period 1 January to 31 March 2019 which is shown as Attachment 1 to Report CJ054-05/19;*

- 2 *Capital Works Quarterly Report for the period 1 January to 31 March 2019 which is shown as Attachment 2 to Report CJ054-05/19.*

BACKGROUND

The City's *Corporate Business Plan 2018-19 – 2022-23* demonstrates how the objectives of the City's *Strategic Community Plan* are translated into a five year delivery program.

The *Corporate Business Plan 2018-19 – 2022-23* was endorsed by Council at its meeting held on 21 August 2018 (CJ138-08/18 refers). The plan contains the major projects and priorities for the five year delivery period and more detailed information with quarterly milestones on projects that the City intends to deliver in the 2018-19 financial year.

The City's Corporate Reporting Framework requires the development of quarterly reports against annual projects and priorities which are presented to Council on a quarterly basis.

The City's *Corporate Business Plan* and quarterly reports are in line with the Department of Local Government, Sport and Cultural Industries' *Integrated Planning Framework* which requires planning and reporting on local government activities.

DETAILS

Issues and options considered

The *Corporate Business Plan Quarterly Progress Report* provides information on progress against the milestones for the 2018-19 projects and programs within the *Corporate Business Plan*.

A commentary is provided against each quarterly milestone on the actions completed, and project status is reported via colour coding which indicates if the project has been completed, is on track or slightly behind schedule. Information is also provided on the budget status for each item.

The milestones being reported this quarter are the grey shaded sections of Attachment 1 to Report CJ054-05/19. "*Business as usual*" activities within each key theme have also been separated from strategic projects and programs within the report.

Legislation / Strategic Community Plan / Policy implications

Legislation

The *Local Government Act 1995* provides a framework for the operations of Local Governments in Western Australia. Section 1.3 (2) states:

"This Act is intended to result in:

- a) better decision making by local governments;*
- b) greater community participation in the decisions and affairs of local governments;*
- c) greater accountability of local governments to their communities; and*
- d) more efficient and effective government.*

Strategic Community Plan

Key theme	Governance and Leadership.
Objective	Corporate capacity.
Strategic initiative	Demonstrate accountability through robust reporting that is relevant and easily accessible by the community.
Policy	The City's <i>Governance Framework</i> recognises the importance of effective communication, policies and practices in Section 7.2.4. Section 10.2 further acknowledges the need for accountability to the community through its reporting framework which enables an assessment of performance against the <i>Strategic Community Plan</i> , <i>Strategic Financial Plan</i> , <i>Corporate Business Plan</i> and Annual Budget.

Risk management considerations

The *Corporate Business Plan Quarterly Progress Reports* provide a mechanism for tracking progress against milestones for major projects and programs.

Financial / budget implications

All 2018-19 projects and programs in the *Corporate Business Plan* were included in the 2018-19 Annual Budget.

Regional significance

Not applicable.

Sustainability implications

The projects and programs in the *Corporate Business Plan* are aligned to the key themes in *Joondalup 2022* which have been developed to ensure the sustainability of the City.

The key themes are as follows:

- Governance and Leadership.
- Financial Sustainability.
- Quality Urban Environment.
- Economic Prosperity, Vibrancy and Growth.
- The Natural Environment.
- Community Wellbeing.

Consultation

Not applicable.

COMMENT

The *Corporate Business Plan 2018-19 – 2022-23* was endorsed by Council at its meeting held on 21 August 2018 (CJ138-08/18 refers). A detailed report on progress of the Capital Works Program has been included with the *Corporate Business Plan Quarterly Progress Report*. This Report provides an overview of progress against all the projects and programs in the 2018-19 Capital Works Program.

VOTING REQUIREMENTS

Simple Majority.

MOVED Mayor Jacob, SECONDED Cr Jones that Council RECEIVES the:

- 1 *Corporate Business Plan Quarterly Progress Report* for the period 1 January to 31 March 2019, which is shown as Attachment 1 to Report CJ054-05/19;**
- 2 *Capital Works Quarterly Report* for the period 1 January to 31 March 2019, which is shown as Attachment 2 to Report CJ054-05/19.**

The Motion was Put and CARRIED (12/0) by Exception Resolution after consideration of CJ069-05/19, page 219 refers.

In favour of the Motion: Mayor Jacob, Crs Chester, Dwyer, Fishwick, Hollywood, Jones, Logan, McLean, May, Norman, Poliwka and Taylor.

Appendix 9 refers

To access this attachment on electronic document, click here: [Attach9brf190514.pdf](#)

CJ055-05/19 MINUTES OF EXTERNAL COMMITTEES

WARD	All
RESPONSIBLE DIRECTOR	Mr Jamie Parry Governance and Strategy
FILE NUMBER	41196, 101515
ATTACHMENT	Attachment 1 Minutes of Tamala Park Regional Council meeting held on 18 April 2019 <i>(Please note: These minutes are only available electronically).</i>
AUTHORITY / DISCRETION	Information - includes items provided to Council for information purposes only that do not require a decision of Council (that is for 'noting').

PURPOSE

For Council to note the minutes of the Tamala Park Regional Council on which the City has current representation.

EXECUTIVE SUMMARY

The following minutes are provided:

- Minutes of Tamala Park Regional Council meeting held on 18 April 2019.

DETAILS

The following information details matters that were discussed at the external meeting and may be of interest to the City of Joondalup.

Tamala Park Regional Council Meeting – 18 April 2019

A meeting of the Tamala Park Regional Council was held on 18 April 2019.

At the time of this meeting Cr John Chester and Cr Nige Jones were Council's representatives at the Tamala Park Regional Council meeting.

For the information of Council, the following matters of interest to the City of Joondalup were resolved at the Tamala Park Regional Council meeting:

9.6 Draft Vision, Objectives and Strategies – Strategic Community Plan

It was resolved by the Tamala Park Regional Council as follows:

“That the Council APPROVES the Strategic Community Plan - Summary (2019) outlining Catalina Vision, Objectives, Strategies and Measurements (March 2019) to inform the review of the Strategic Community Plan 2013-2023.”

9.7 Draft Project Budget FYE 2020

It was resolved by the Tamala Park Regional Council as follows:

"That the Council:

- 1 *RECEIVES the draft Project Budget FYE 2020, submitted by the Satterley Property Group.*
- 2 *APPROVES the use of the draft Project Budget FYE 2020, submitted by the Satterley Property Group, as the basis of planning and development for the Project Budget FYE 2020, subject to the following changes:*
 - (i) *WAPC Land – deferral of payment for the acquisition of WAPC land to FYE 2020 and FYE 2021;*
 - (ii) *Distribution to Member Local Governments – provision of information on the viability of the inclusion of a distribution to member local governments in FYE 2020;*
 - (iii) *Grove Earthworks – deferral of earthworks to FYE 2021."*
- 3 *ADVISES the Satterley Property Group that it notes that a number of the designated Milestones in the Annual Plan have not been met and that it is required to provide a report to Council for the June 2019 meeting as to how these milestones will be satisfactorily addressed so that they do not adversely affect the Project."*

9.13 CEO Further Contract of Employment - CONFIDENTIAL

It was resolved by the Tamala Park Regional Council as follows:

"That the Council:

- 1 *OFFERS Mr Arias a further Contract of Employment as TPRC CEO (subject to same terms and conditions with the exception of section 10.2(a)(ii)) for a period of three (3) years commencing 12 October 2019.*
- 2 *MODIFIES the Termination clause in the contract, section 10.2(a)(ii) that states, "The TPRC may terminate the Officer's employment at any time for any reason prior to the expiry of the Term by paying to the Officer the Balance of the Remuneration payable for the Term" to:*

"The TPRC may terminate the Officer's employment at any time for any reason prior to the expiry of the Term by paying to the Officer the Balance of the Remuneration not exceeding twelve months" to align with industry standards.
- 3 *REQUESTS a report be presented to Council providing a strategy on succession planning and knowledge retention for the CEO.*
- 4 *NOTES that compliance with the Salaries and Allowances Tribunal Determination as specified in Section 5.39(7) of the Local Government Act 1995 has not been satisfied given Mr Arias' status as a "preserved CEO".*

13 Matters behind Closed Doors

- 9.11 *Catalina Front Landscaping Services Tender (Tender 2/2019) - Confidential*
- 9.12 *Review of Project Milestones FYE 2019 - Confidential*
- 9.13 *CEO Further Contract of Employment – Confidential.*

Legislation / Strategic Community Plan / policy implications

Legislation Not applicable.

Strategic Community Plan

Key theme Governance and Leadership.

Objective Strong leadership.

Strategic initiative Seek out City representation on key external and strategic bodies.

Policy Not applicable.

Risk management considerations

Not applicable.

Financial / budget implications

Not applicable.

Regional significance

Not applicable.

Sustainability implications

Not applicable.

Consultation

Not applicable.

VOTING REQUIREMENTS

Simple Majority.

MOVED Mayor Jacob, SECONDED Cr Jones that Council NOTES the minutes of the Tamala Park Regional Council meeting held on 18 April 2019 forming Attachment 1 to Report CJ055-05/19.

The Motion was Put and CARRIED (12/0) by Exception Resolution after consideration of CJ069-05/19, page 219 refers.

In favour of the Motion: Mayor Jacob, Crs Chester, Dwyer, Fishwick, Hollywood, Jones, Logan, McLean, May, Norman, Poliwka and Taylor.

To access this attachment on electronic document, click here: [ExternalMinutes190514.pdf](#)

CJ056-05/19 WESTERN AUSTRALIAN LOCAL GOVERNMENT ASSOCIATION 2019 ANNUAL GENERAL MEETING

WARD	All
RESPONSIBLE DIRECTOR	Mr Jamie Parry Governance and Strategy
FILE NUMBER	00033, 101515
ATTACHMENTS	Nil
AUTHORITY / DISCRETION	Executive - The substantial direction setting and oversight role of Council, such as adopting plans and reports, accepting tenders, directing operations, setting and amending budgets.

PURPOSE

For Council to give consideration to nominating its voting delegates for the 2019 Annual General Meeting of the Western Australian Local Government Association (WALGA) to be held on Wednesday 7 August 2019.

EXECUTIVE SUMMARY

The Annual General Meeting of WALGA is traditionally held during the WA Local Government Convention. The majority of local governments in the state have representatives attending.

Crs Russ Fishwick and Nige Jones were nominated as the City's voting delegates in 2018, with Mayor Albert Jacob, JP and Cr Russell Poliwka as their proxy delegates (CJ094-06/18 refers).

BACKGROUND

The 2019 WALGA Annual General Meeting will be held on Wednesday 7 August 2019.

DETAILSVoting Delegates

In order to participate in voting on matters received at the Annual General Meeting, each member Council must register its voting delegates by 5 July 2019. Pursuant to the WALGA Constitution, all member Councils are entitled to be represented by two voting delegates. Voting delegates may be either elected members or serving officers. Proxy voting is available where the Council's appointed representatives are unable to attend.

The current City of Joondalup members of the WALGA North Metropolitan Zone are as follows:

Members

Cr Russ Fishwick, JP.
Cr Nige Jones.
Cr Christopher May.
Cr Mike Norman.

Deputies

Cr Christine Hamilton-Prime (first alternative member).
Cr Sophie Dwyer (second alternative member).

Crs Russ Fishwick, JP and Nige Jones are the City's delegate and deputy delegate respectively, to the WALGA State Council.

Issues and options considered

Not applicable.

Legislation / Strategic Community Plan / policy implications

Legislation

Not applicable.

Strategic Community Plan

Key theme

Governance and Leadership.

Objective

Strong leadership.

Strategic initiative

Advocate and influence political direction to achieve local and regional development.

Policy

Not applicable.

Risk management considerations

If the City of Joondalup does not submit its voting members, it will not be able to vote on the matters to be debated as part of the Annual General Meeting of the WALGA.

Financial / budget implications

Not applicable.

Regional significance

Matters considered at the 2019 WALGA Annual General Meeting relate to local government as an industry.

Sustainability implications

Not applicable.

Consultation

Not applicable.

COMMENT

The North Metropolitan Zone Committee of WALGA, consisting of the Cities of Joondalup, Stirling and Wanneroo, is the main link the City has in considering matters relating to WALGA activities.

It is considered prudent to designate two voting delegates for the 2019 Annual General Meeting of WALGA to ensure the City is represented and is able to vote on matters affecting the City and the broader local government sector.

VOTING REQUIREMENTS

Simple Majority.

OFFICER'S RECOMMENDATION

That Council NOMINATES:

- 1 two voting delegates for the 2019 Annual General Meeting of the Western Australian Local Government Association to be held on Wednesday 7 August 2019;
- 2 two proxy voting delegates for the 2019 Annual General Meeting of the Western Australian Local Government Association to be held on Wednesday 7 August 2019 in the event that Council's appointed representatives are unable to attend.

Cr Taylor left the Chamber at 8.37pm.

MOVED Mayor Jacob, SECONDED Cr Hollywood that Council NOMINATES:

- 1 **Cr Fishwick and Cr Jones as voting delegates for the 2019 Annual General Meeting of the Western Australian Local Government Association to be held on Wednesday 7 August 2019;**
- 2 **Cr Poliwka and Cr Chester as proxy voting delegates for the 2019 Annual General Meeting of the Western Australian Local Government Association to be held on Wednesday 7 August 2019 in the event that Council's appointed representatives are unable to attend.**

The Motion was Put and

CARRIED (11/0)

In favour of the Motion: Mayor Jacob, Crs Chester, Dwyer, Fishwick, Hollywood, Jones, Logan, McLean, May, Norman and Poliwka.

Disclosure of interest that may affect impartiality

Name/Position	Cr Sophie Dwyer.
Item No./Subject	CJ057-05/19 - List of Payments made during the month of March 2019.
Nature of interest	Interest that may affect impartiality.
Extent of Interest	Cr Dwyer's employer has received a payment from the City of Joondalup.

CJ057-05/19 LIST OF PAYMENTS MADE DURING THE MONTH OF MARCH 2019

WARD	All
RESPONSIBLE DIRECTOR	Mr Mike Tidy Corporate Services
FILE NUMBER	09882, 101515
ATTACHMENTS	Attachment 1 Chief Executive Officer's Delegated Municipal Payment List for the month of March 2019 Attachment 2 Chief Executive Officer's Delegated Trust Payment List for the month of March 2019 Attachment 3 Municipal and Trust Fund Vouchers for the month of March 2019
AUTHORITY / DISCRETION	Information – includes items provided to Council for information purposes only that do not require a decision of Council (that is for 'noting').

PURPOSE

For Council to note the list of accounts paid under the Chief Executive Officer's delegated authority during the month of March 2019.

EXECUTIVE SUMMARY

This report presents the list of payments made under delegated authority during the month of March 2019, totalling \$20,106,197.22.

It is therefore recommended that Council NOTES the Chief Executive Officer's list of accounts for March 2019 paid under delegated authority in accordance with regulation 13(1) of the Local Government (Financial Management) Regulations 1996 forming Attachments 1, 2 and 3 to Report CJ057-05/19, totalling \$20,106,197.22.

BACKGROUND

Council has delegated, to the Chief Executive Officer, the exercise of its power to make payments from the City's Municipal and Trust funds. In accordance with Regulation 13 of the *Local Government (Financial Management) Regulations 1996* a list of accounts paid by the Chief Executive Officer is to be provided to Council, where such delegation is made.

DETAILS

The table below summarises the payments drawn on the funds during the month of March 2019. Lists detailing the payments made are appended as Attachments 1 and 2 to Report CJ057-05/19.

The vouchers for the month are appended as Attachment 3 to Report CJ057-05/19.

FUNDS	DETAILS	AMOUNT
Municipal Account	Municipal Cheques & EFT Payments 107994 - 108118 & EF076503 –EF077106 Net of cancelled payments.	\$14,700,640.80
	Vouchers 2482A – 2502A	\$5,398,877.31
Trust Account	Trust Cheques & EFT Payments 207338 - 207344 & TEF001667 – TEF001673 Net of cancelled payments.	\$ 6,679.11
Total		\$20,106,197.22

Issues and options considered

There are two options in relation to the list of payments.

Option 1

That Council declines to note the list of payments paid under delegated authority. The list is required to be reported to Council in accordance with Regulation 13(1) of the *Local Government (Financial Management) Regulations 1996*, and the payments listed have already been paid under the delegated authority. This option is not recommended.

Option 2

That Council notes the list of payments paid under delegated authority. This option is recommended.

Legislation / Strategic Community Plan / policy implications

Legislation

The Council has delegated to the Chief Executive Officer the exercise of its authority to make payments from the Municipal and Trust Funds, therefore in accordance with Regulation 13(1) of the *Local Government (Financial Management) Regulations 1996*, a list of accounts paid by the Chief Executive Officer is prepared each month showing each account paid since the last list was prepared.

Strategic Community Plan

Key theme Financial Sustainability.

Objective Effective management.

Strategic initiative Not applicable.

Policy Not applicable.

Risk management considerations

In accordance with section 6.8 of the *Local Government Act 1995*, a local government is not to incur expenditure from its municipal fund for an additional purpose except where the expenditure is authorised in advance by an absolute majority of Council.

Financial / budget implications

All expenditure from the Municipal Fund was included in the Annual Budget as adopted or revised by Council.

Regional significance

Not applicable.

Sustainability implications

Expenditure has been incurred in accordance with budget parameters, which have been structured on financial viability and sustainability principles.

Consultation

Not applicable.

COMMENT

All Municipal Fund expenditure included in the list of payments is incurred in accordance with the *2018-19 Annual Budget* as adopted by Council at its meeting held on 26 June 2018 (CJ114-06/18 refers) and subsequently revised or has been authorised in advance by the Mayor or by resolution of Council as applicable.

VOTING REQUIREMENTS

Simple Majority.

MOVED Mayor Jacob, SECONDED Cr Jones that Council NOTES the Chief Executive Officer's list of accounts for March 2019 paid under Delegated Authority in accordance with Regulation 13(1) of the *Local Government (Financial Management) Regulations 1996* forming Attachments 1, 2 and 3 to Report CJ057-05/19, totalling \$20,106,197.22.

The Motion was Put and CARRIED (12/0) by Exception Resolution after consideration of CJ069-05/19, page 219 refers.

In favour of the Motion: Mayor Jacob, Crs Chester, Dwyer, Fishwick, Hollywood, Jones, Logan, McLean, May, Norman, Poliwka and Taylor.

Appendix 10 refers

To access this attachment on electronic document, click here: [Attach10brf190514.pdf](#)

CJ058-05/19 FINANCIAL ACTIVITY STATEMENT FOR THE PERIOD ENDED 31 MARCH 2019

WARD	All	
RESPONSIBLE DIRECTOR	Mr Mike Tidy Corporate Services	
FILE NUMBER	07882,101515	
ATTACHMENT	Attachment 1	Financial Activity Statement
	Attachment 2	Investment Summary
	Attachment 3	Supporting Commentary
AUTHORITY/ DISCRETION	Information - includes items provided to Council for information purposes only that do not require a decision of Council (that is for 'noting').	

PURPOSE

For Council to note the Financial Activity Statement for the period ended 31 March 2019.

EXECUTIVE SUMMARY

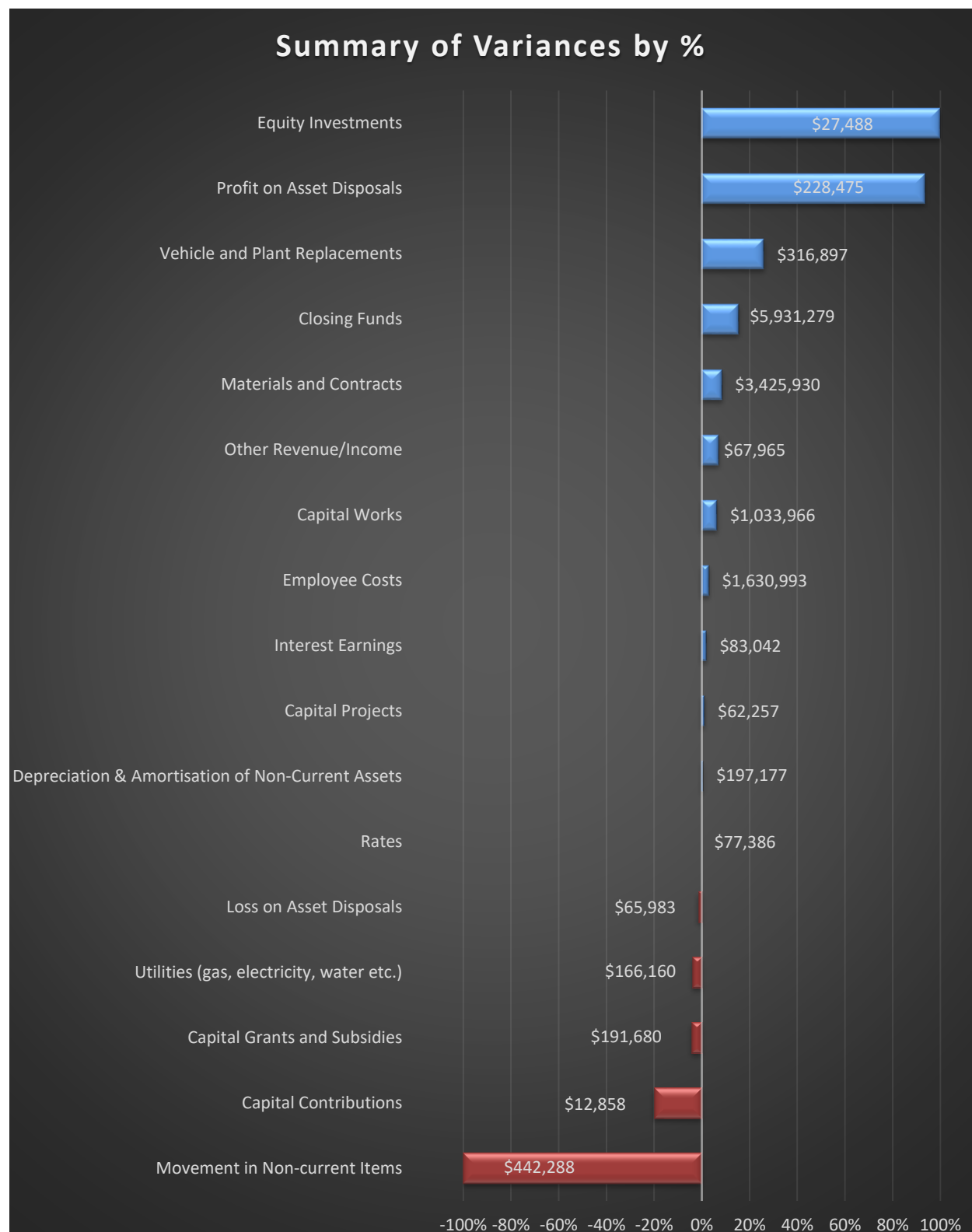
At its meeting held on 26 June 2018 (CJ114-06/18 refers), Council adopted the Annual Budget for the 2018-19 financial year. Council subsequently revised the budget at its meeting held on 19 February 2019 (CJ017-02/19 refers). The figures in this report are compared to the revised budget.

The March 2019 Financial Activity Statement Report shows an overall favourable variance from operations and capital, after adjusting for non-cash items, of \$5,931,279 for the period when compared to the revised budget.

It should be noted that this variance does not represent a projection of the end of year position or that these funds are surplus to requirements. It represents the year to date position to 31 March and results from a number of factors identified in the report.

There are a number of factors influencing the favourable variance, but it is predominantly due to the timing of revenue and expenditure compared to the budget estimate. The notes in Attachment 3 to Report CJ058-05/19 identify and provide commentary on the individual key material revenue and expenditure variances to date.

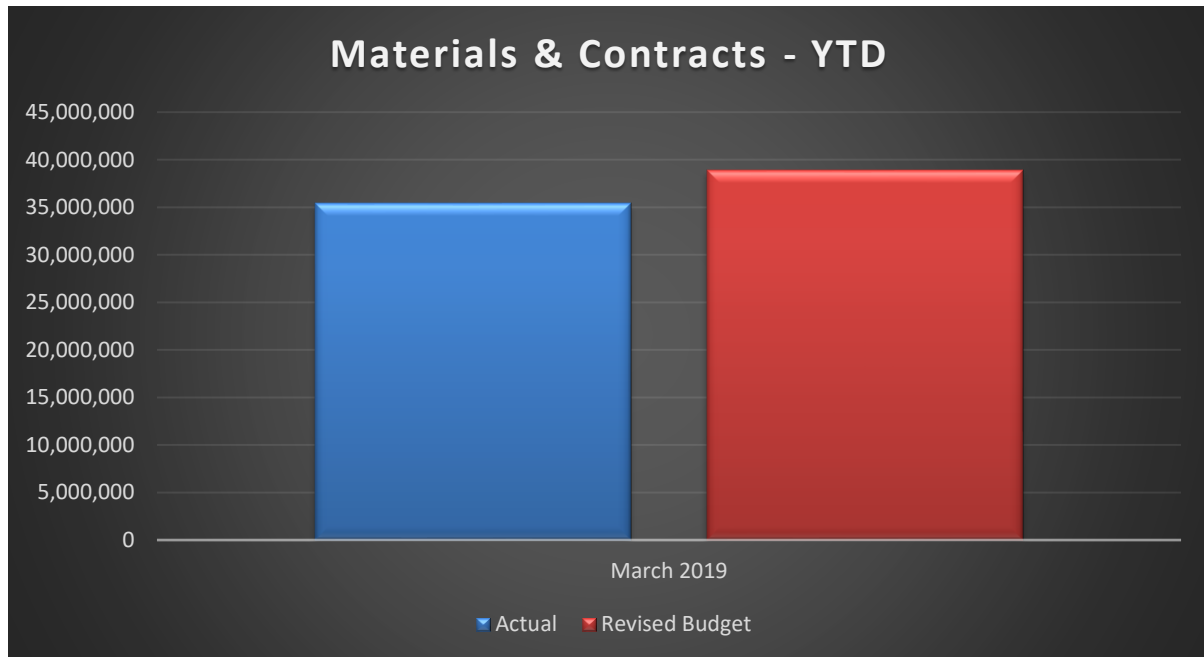
The key elements of the variance are summarised below:



The significant variances for March were:

Materials & Contracts

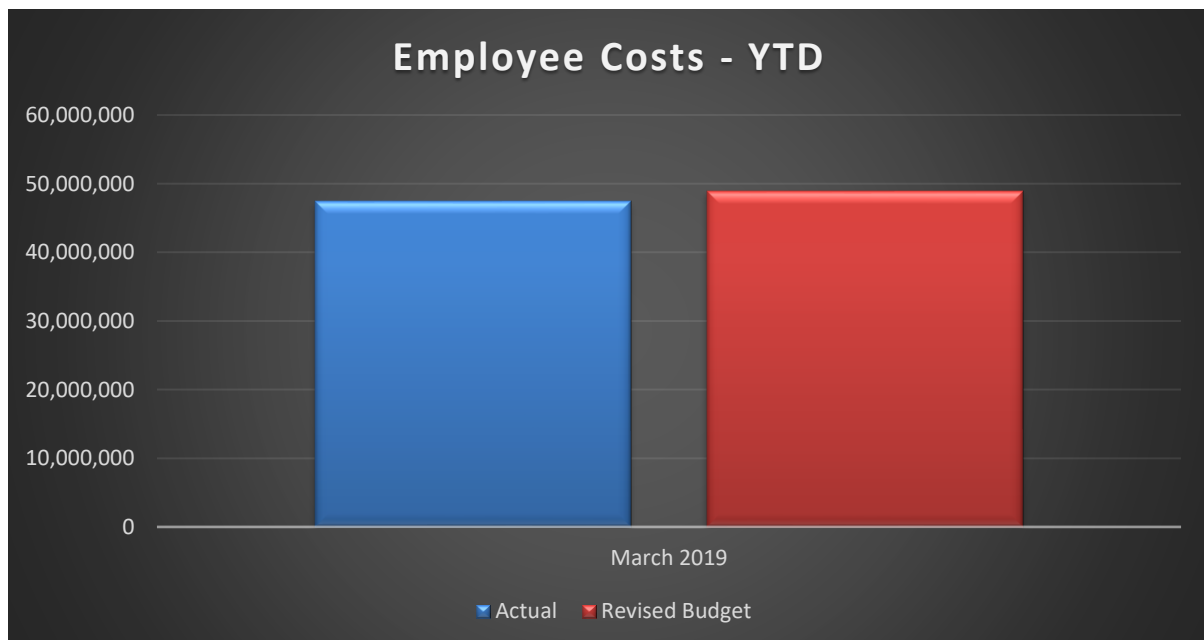
\$3,425,930



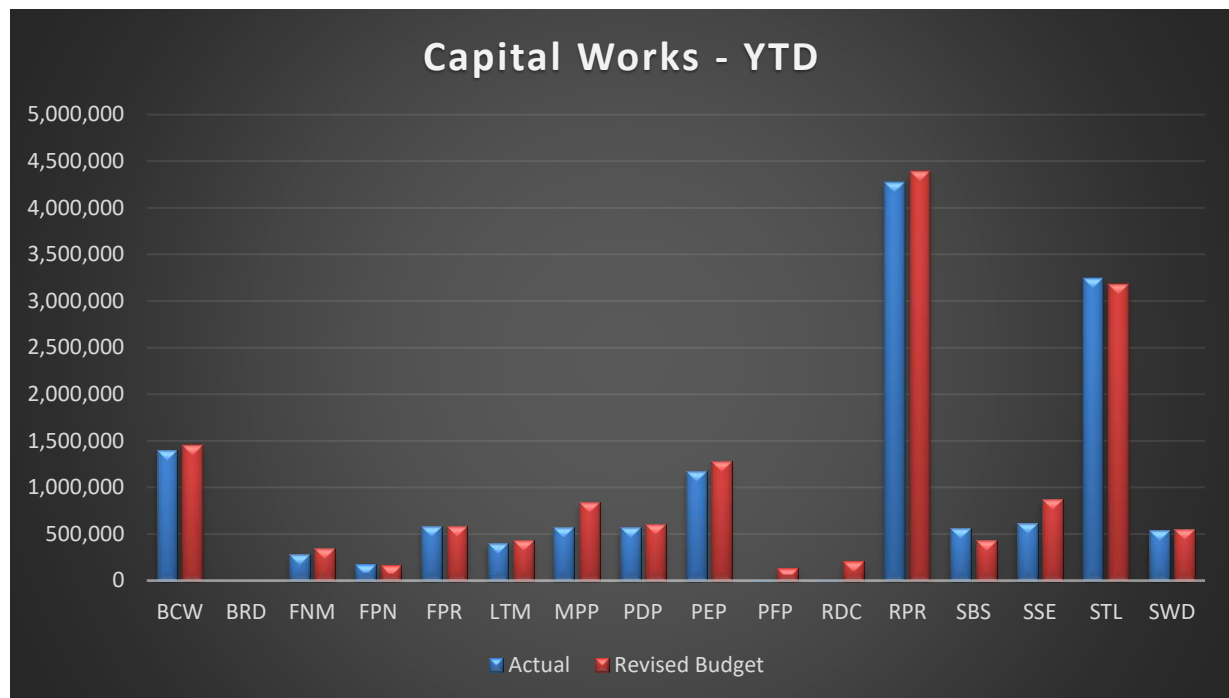
Materials and Contracts expenditure is \$3,425,930 below budget. This is spread across a number of different areas including favourable timing variances for External Service Expenses \$1,783,322, Furniture, Equipment and Artworks \$333,113 and Professional Fees & Costs \$267,942.

Employee Costs

\$1,630,993



Employee Costs expenditure is \$1,630,993 below budget. Favourable variances arose for Salaries and Wages across a number of areas including Parks \$149,947, Engineering Maintenance \$142,991, Planning Approvals \$125,448 and Organisational Development Administration \$102,218 mainly due to vacant positions.

Capital Works**\$1,033,966**

Capital Works is \$1,033,966 below budget. This is spread across a number of different areas including favourable timing variances for Major Projects Program \$268,070, Streetscape Enhancement Program \$249,046 and Major Road Construction Program \$197,681.

It is therefore recommended that Council NOTES the Financial Activity Statement for the period ended 31 March 2019 forming Attachment 1 to Report CJ058-05/19.

BACKGROUND

The *Local Government (Financial Management) Regulations 1996* requires a monthly Financial Activity Statement. At its meeting held on 11 October 2005 (CJ211-10/05 refers), Council approved to accept the monthly Financial Activity Statement according to nature and type classification.

DETAILS**Issues and options considered**

The Financial Activity Statement for the period ended 31 March 2019 is appended as Attachment 1 to Report CJ058-05/19.

Legislation / Strategic Community Plan / policy implications**Legislation**

Section 6.4 of the *Local Government Act 1995* requires a local government to prepare an annual financial report for the preceding year and such other financial reports as are prescribed.

Regulation 34(1) of the *Local Government (Financial Management) Regulations 1996* requires the local government to prepare each month a statement of financial activity reporting on the source and application of funds as set out in the annual budget.

Strategic Community Plan

Key theme Financial Sustainability.

Objective Effective management.

Strategic initiative Not applicable.

Policy Not applicable.

Risk management considerations

In accordance with section 6.8 of the *Local Government Act 1995*, a local government is not to incur expenditure from its municipal funds for an additional purpose except where the expenditure is authorised in advance by an absolute majority of Council.

Financial / budget implications

All amounts quoted in this report are exclusive of GST.

Regional significance

Not applicable.

Sustainability implications

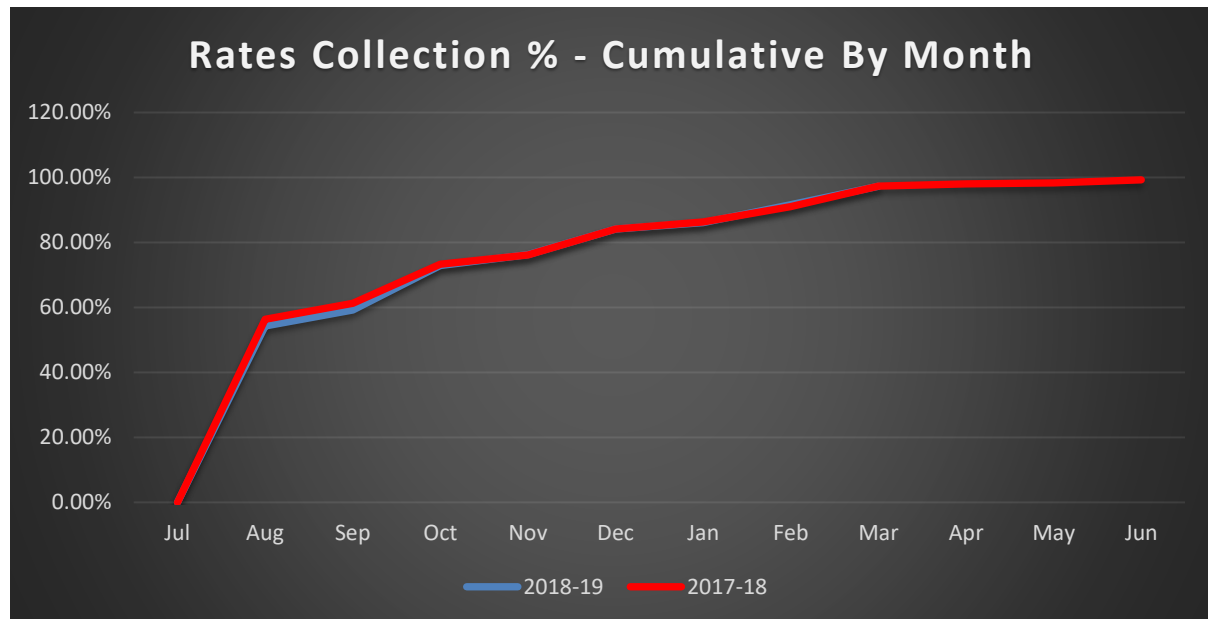
Expenditure has been incurred in accordance with adopted budget parameters, which have been structured on financial viability and sustainability principles.

Consultation

In accordance with section 6.2 of the *Local Government Act 1995*, the annual budget was prepared having regard to the Strategic Financial Plan, prepared under Section 5.56 of the *Local Government Act 1995*. The Mid Year Review Budget was prepared in accordance with Regulation 33A of the *Local Government (Financial Management) Regulations 1996*.

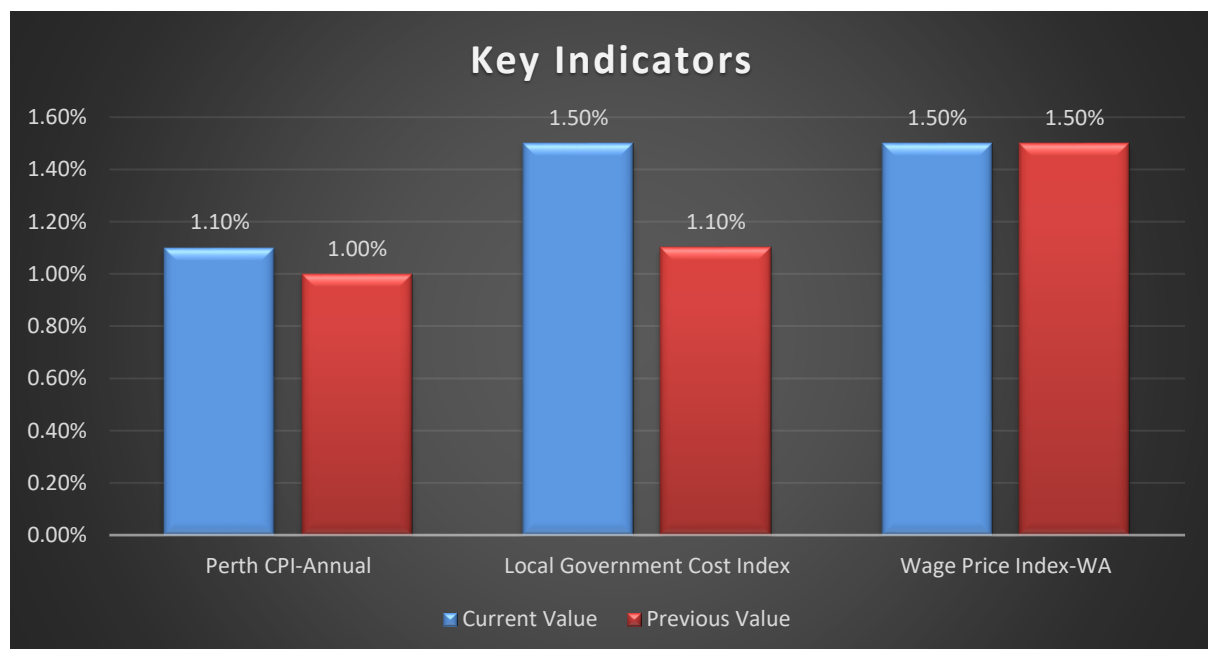
KEY INDICATORS

Rates Collection



Rates collections as a percentage of rates issued (debtors) continues on par with the prior year at the end of March. This trend is expected to continue to the end of the financial year.

Economic Indicators



Increase in the Perth CPI during the December quarter demonstrates the WA economy continues to emerge from its downturn further indicating an increase to future cost pressures in the general economy. Wage inflation data for December shows the WA wage price index has remained steady and above CPI, and continues to lag the national wage price index which rose 2.2% for the same period.

COMMENT

All expenditure included in the Financial Activity Statement is incurred in accordance with the provisions of the 2018-19 revised budget or has been authorised in advance by Council where applicable.

VOTING REQUIREMENTS

Simple Majority.

MOVED Mayor Jacob, SECONDED Cr Jones that Council NOTES the Financial Activity Statement for the period ended 31 March 2019 forming Attachment 1 to Report CJ058-05/19.

The Motion was Put and CARRIED (12/0) by Exception Resolution after consideration of CJ069-05/19, page 219 refers.

In favour of the Motion: Mayor Jacob, Crs Chester, Dwyer, Fishwick, Hollywood, Jones, Logan, McLean, May, Norman, Poliwka and Taylor.

Appendix 11 refers

To access this attachment on electronic document, click here: [Attach11brf190514.pdf](#)

Disclosures of Financial Interest

Name/Position	Mr Garry Hunt.
Item No./Subject	CJ059-05/19 - Request for Annual Leave – Chief Executive Officer.
Nature of interest	Financial Interest.
Extent of Interest	Mr Hunt has requested annual leave.

CJ059-05/19 REQUEST FOR ANNUAL LEAVE – CHIEF EXECUTIVE OFFICER

WARD	All
RESPONSIBLE DIRECTOR	Mr Mike Tidy Corporate Services
FILE NUMBER	98394, 101515 98394B
ATTACHMENT	Nil
AUTHORITY / DISCRETION	Executive - The substantial direction setting and oversight role of Council, such as adopting plans and reports, accepting tenders, directing operations, setting and amending budgets.

This item was dealt with later in the meeting, after CJ060-05/19 Tender 004/19 - Civil Works for the Construction of the Burns Beach to Mindarie Dual Use Path, page 138 refers.

CJ060-05/19 TENDER 004/19 - CIVIL WORKS FOR THE CONSTRUCTION OF THE BURNS BEACH TO MINDARIE DUAL USE PATH

WARD	All
RESPONSIBLE DIRECTOR	Mr Mike Tidy Corporate Services
FILE NUMBER	107862, 101515
ATTACHMENT	Attachment 1 Summary of Tender Submissions
AUTHORITY / DISCRETION	Executive - The substantial direction setting and oversight role of Council, such as adopting plans and reports, accepting tenders, directing operations, setting and amending budgets.

PURPOSE

For Council to accept the tender submitted by WCP Civil Pty Ltd for the construction of the Burns Beach to Mindarie Dual Use Path (DUP).

EXECUTIVE SUMMARY

Tenders were advertised on 19 January 2019 through statewide public notice for the construction of the Burns Beach to Mindarie DUP. Tenders closed on 19 February 2019. A submission was received from each of the following:

- Egan Civil Pty Ltd (Castle Civil).
- RCA Civil Group Pty Ltd.
- Indus Civil & Mining Pty Ltd (Total Civil & Mining).
- WCP Civil Pty Ltd.
- MRCN Pty Ltd (West Force Construction).

Total Civil & Mining withdrew its submission on 3 April 2019 subsequent to the completion of the evaluation of submissions.

The submission from WCP Civil Pty Ltd represents best value to the City. WCP Civil Pty Ltd demonstrated a good understanding of the project tasks and its ability to manage potential risks. It demonstrated considerable experience completing civil works for the Cities of Joondalup, South Perth, Kwinana and Albany. It has the capacity in terms of personnel and equipment to carry out this project to the safety, quality and environmental standards required.

It is therefore recommended that Council ACCEPTS the tender submitted by WCP Civil Pty Ltd for the construction of the Burns Beach to Mindarie Dual Use Path as specified in Tender 004/19 for the fixed lump sum of \$1,453,283 (GST exclusive).

BACKGROUND

The City has a requirement for the construction of the Burns Beach to Mindarie DUP in accordance with the specification.

The project is funded by the State Government with contributions from the Cities of Joondalup and Wanneroo.

The successful contractor will work within the area approved to be cleared by the Department of Water and Environmental Regulation. A minimal buffer of one metre around the design was applied for to minimise the environmental impact and to reduce the City's offset responsibilities. Additional clearing has been applied for to allow for stockpile and turnaround areas.

The site also intersects with the Mindarie Waugal, a registered aboriginal heritage area. The City has conducted consultation with traditional owners resulting in a Section 18 application being submitted for consideration by the Department of Planning, Lands and Heritage.

Tender assessment is based on the best value for money concept. Best value is determined after considering whole-of-life costs, fitness for purpose, tenderers' experience and performance history, productive use of City resources and other environmental or local economic factors.

DETAILS

The tender for the construction of the Burns Beach to Mindarie DUP was advertised on 19 January 2019 through statewide public notice. The tender period was for four weeks and tenders closed on 19 February 2019.

Tender Submissions

A submission was received from each of the following:

- Egan Civil Pty Ltd (Castle Civil).
- RCA Civil Group Pty Ltd.
- Indus Civil & Mining Pty Ltd (Total Civil & Mining).
- WCP Civil Pty Ltd.
- MRCN Pty Ltd (West Force Construction).

Total Civil & Mining withdrew its submission on 3 April 2019 subsequent to the completion of the evaluation of submissions.

A summary of the tender submissions including the location of each tenderer is provided in Attachment 1 to Report CJ060-05/19.

Evaluation Panel

The evaluation panel comprised three members:

- one with tender and contract preparation skills
- two with the appropriate technical expertise and involvement in supervising the contract.

The panel carried out the assessment of submissions in accordance with the City's evaluation process in a fair and equitable manner.

Compliance Assessment

The following offers were assessed as fully compliant:

- WCP Civil Pty Ltd.
- West Force Construction.

The offer received from RCA Civil Group Pty Ltd was assessed as partially compliant.

The offer stated that it has aligned its compliance towards the requirements of ISO 9001 for Quality, ISO 14001 for Environmental Management and AS/NZS 4801 for Safety standards and is working towards accreditation in the 2019-20 financial year. The offer was included for further assessment on the basis that it would be compliant prior to commencement of construction if awarded.

The offer received from Castle Civil was assessed as non-compliant.

The tenderer does not have appropriate certifications or systems in place that meet or align with specifications for compliance to requirements of ISO 9001 for quality, ISO 14001 for environmental management and at least one of AS/NZS 4801 or OHSAS18001 for safety, as specified in the tender.

The offer from Castle Civil did not comply with the City's quality assurance and management requirements and was not considered further.

Qualitative Assessment

The qualitative weighting method of tender evaluation was selected to evaluate the offers for this requirement. The minimum acceptable score was set at 60% due to the isolated and constrained site. This will ensure that only contractors with the resources to implement their systems and with relevant experience will be considered to construct this high-risk project.

The qualitative criteria and weighting used in evaluating the submissions were as follows:

Qualitative Criteria		Weighting
1	Demonstrated understanding of the required tasks	40%
2	Capacity	30%
3	Demonstrated experience in completing similar projects	25%
4	Social and economic effects on the local Joondalup and/or Wanneroo community	5%

West Force Construction scored 60.2% and was ranked third in the qualitative assessment. It demonstrated a reasonable level of understanding of the project tasks, however no mitigation strategies for the identified risks were provided. The company demonstrated a good level of experience completing projects that contain similar aspects to the tender requirements, however the dates or periods of when the projects occurred were not provided. The company's response to the capacity criterion did not clearly define its ability to source additional personnel and resources for the project.

RCA Civil Group Pty scored 70.2% and was ranked second in the qualitative assessment. It demonstrated a good understanding of the tasks required. It addressed key risks and appropriate mitigation strategies for the project. The company demonstrated considerable experience providing previous works for the City and other local governments. Its response to capacity provided evidence of its ability to meet the requirements of this contract. The company stated it is working towards full accreditation for ISO 9001 for quality and ISO 14001 for environmental standards

WCP Civil Pty Ltd scored 73.3% and was ranked first in the qualitative assessment. The company has the capacity to provide the required personnel, equipment and quality standards for successful delivery of the project. It demonstrated considerable experience completing road and drainage works for the City and other local governments including the Shire of Mundaring and Towns of Cambridge and Bassendean. It demonstrated a good understanding of the project by providing a customised work method statement to the requirements of the project addressing key risks and appropriate risk mitigation strategies.

Based on the minimum acceptable score (60%), all tenderers qualified for stage 2 (price) assessment.

Price Assessment

Following the qualitative assessment, the panel carried out a comparison of the submitted lump sum price to assess value for money to the City.

Tenderer	Contract Price
WCP Civil Pty Ltd	\$1,453,283
RCA Civil Group Pty Ltd	\$1,630,112
West Force Construction	\$2,270,984

Evaluation Summary

Tenderer	Price Ranking	Total Contract Price	Qualitative Ranking	Evaluation Score
WCP Civil Pty Ltd	1	\$1,453,283	1	73.3%
RCA Civil Group Pty Ltd	2	\$1,630,112	2	70.2%
West Force Construction	3	\$2,270,984	3	60.2%

Based on the evaluation result the panel concluded that the tender from WCP Civil Pty Ltd provides best value to the City and is therefore recommended.

Issues and options considered

Works are required to complete the construction of the Burns Beach to Mindarie DUP. The City does not have the internal resources to undertake the works and as such requires an appropriate external contractor.

Legislation / Strategic Community Plan / policy implications**Legislation**

A statewide public tender was advertised, opened and evaluated in accordance with clauses 11(1) and 18(4) of Part 4 of the *Local Government (Functions and General) Regulations 1996*, where tenders are required to be publicly invited if the consideration under a contract is, or is estimated to be, more, or worth more, than \$150,000.

Strategic Community Plan**Key theme**

The Natural Environment.

Objective

Accessible environments.

Strategic initiative

Build an effective interface between humans and the natural environment.

Policy

Not applicable.

Risk management considerations

Should the project not proceed, funding from the State Government and City of Wanneroo will be withdrawn. This presents a high risk to the City's reputation to deliver projects from both a community and stakeholder point of view.

The northern and southern end links of the dual use path are not being constructed by the City and may impact access to each end of the path being constructed under this contract. The Cities of Joondalup and Wanneroo and the Western Australian Planning Commission are collaborating with PEET (southern link to Burns Beach) and Tamala Park Regional Council (northern link to Mindarie) to deliver a continuous route as soon as possible. The City has planned construction works to allow the delivery of the links and a fully accessible path, however, completion of these connecting sections are controlled by these stakeholders.

Access to the site will be restricted by fencing, gates and bollards. Gaps will be provided along the fence for fauna access with exact location of the fence gap to be determined by the City. The City has engaged a Civil and Geotechnical consultant to ensure the path is built to the applicable Australian Standards.

Construction is scheduled during winter in order to reduce any bush fire risks and the contractor will submit an Environmental Management Plan addressing an approved evacuation plan in the event of a bushfire.

It is considered that the contract will represent a low risk to the City as the recommended tenderer is a well-established company with considerable industry experience and has the capacity to complete the project for the City to the required environmental standard and within the required timeframe.

Financial/budget implications

Multi year financial impact

Project number	FPN2240.
Cost Code	W3472.
Budget Item	Burns Beach to Mindarie Dual Use Path.
Budget amount	\$ 2,900,000
Committed	\$ 54,972
Amount spent to date	\$ 115,291
Proposed cost	\$ 1,453,283
Contingency	\$ 290,657
Balance	\$ 985,797

The project includes joint funding by the City, the City of Wanneroo, and State Government.

The Cities of Joondalup and Wanneroo will be responsible for maintenance of the path within their respective local government boundaries following the 12 month defects liability period.

The balance does not represent a saving at this time. There is potential for variations for works not covered under the lump sum price. Any balance remaining after the construction phase will be used to complete revegetation of 1.7 hectares of batters disturbed during construction. This is a condition of the clearing permit issued by the Department of Water and Environmental Regulation as part of the project and is estimated to cost \$680,000 over three years.

All amounts quoted in this report are exclusive of GST.

Regional Significance

The regional significance of the Mindarie dunal systems and associated vegetation communities has been recognised in a range of planning initiatives, including the North-West Corridor Structure Plan, System 6 and Bush Forever. It is mostly reserved for parks and recreation under the Metropolitan Region Scheme (MRS).

The site also intersects with the Mindarie Waugal, a registered aboriginal heritage area.

Sustainability implications

In accordance with the *Tamala Conservation Park Establishment Plan* (March 2012), the City has set out to provide sustainable recreational access that is conducive with the protection and management of the high environmental values of the area.

Consultation

The City will prepare a *Community Engagement Plan* to inform community members about the upcoming construction of the dual use path from Burns Beach to Mindarie.

The City has also conducted consultation with traditional owners as part of a Section 18 application which was approved in January 2019 by the Minister for Aboriginal Affairs.

COMMENT

The evaluation panel carried out the evaluation of the submissions in accordance with the qualitative criteria in a fair and equitable manner and concluded that the offer representing best value to the City is that as submitted by WCP Civil Pty Ltd.

VOTING REQUIREMENTS

Simple Majority.

The Director Governance and Strategy left the Chamber at 8.38pm.

The Director Planning and Community Development left the Chamber at 8.39pm and returned at 8.42pm.

Cr Taylor entered the Chamber at 8.40pm.

The Director Governance and Strategy entered the Chamber at 8.43pm.

MOVED Cr McLean, SECONDED Cr Hollywood that Council ACCEPTS the tender submitted by WCP Civil Pty Ltd for the construction of the Burns Beach to Mindarie Dual Use Path as specified in Tender 004/19 for the fixed lump sum of \$1,453,283 (GST exclusive).

The Motion was Put and

CARRIED (12/0)

In favour of the Motion: Mayor Jacob, Crs Chester, Dwyer, Fishwick, Hollywood, Jones, Logan, McLean, May, Norman, Poliwka and Taylor.

Appendix 12 refers

To access this attachment on electronic document, click here: [Attach12brf190514.pdf](#)

Disclosures of Financial Interest

Name/Position	Mr Garry Hunt.
Item No./Subject	CJ059-05/19 - Request for Annual Leave – Chief Executive Officer.
Nature of interest	Financial Interest.
Extent of Interest	Mr Hunt has requested annual leave.

CJ059-05/19 REQUEST FOR ANNUAL LEAVE – CHIEF EXECUTIVE OFFICER

WARD	All
RESPONSIBLE DIRECTOR	Mr Mike Tidy Corporate Services
FILE NUMBER	98394, 101515 98394B
ATTACHMENT	Nil
AUTHORITY / DISCRETION	Executive - The substantial direction setting and oversight role of Council, such as adopting plans and reports, accepting tenders, directing operations, setting and amending budgets.

PURPOSE

To give consideration to the request for annual leave submitted by the Chief Executive Officer (CEO).

EXECUTIVE SUMMARY

The CEO has requested annual leave for the period 22 July to 2 August 2019 inclusive. The annual leave is within the CEO's entitlement under his contract of employment and he has sufficient accrued annual leave.

It is recommended that Council APPROVES the request from the Chief Executive Officer for annual leave for the period 22 July to 2 August 2019 inclusive.

BACKGROUND

The CEO commenced his employment on 31 January 2005. In accordance with his current employment contract the CEO is entitled to 25 days leave per annum.

DETAILS

The CEO has requested annual leave from duties for the period 22 July to 2 August 2019 inclusive. The CEO has delegated authority to appoint an Acting CEO for periods where he is absent from work while on leave, where such periods are for less than 35 days.

Issues and options considered

During the employment of the CEO there will be periods of time where he will be absent from the City of Joondalup on annual leave.

The annual leave for the CEO is to be taken at a mutually convenient time subject to the operational requirements of the Council. It is recommended that Council approves the annual leave request.

Legislation / Strategic Community Plan / Policy implications

Legislation Not applicable.

Strategic Community Plan

Key theme Governance and Leadership.

Objective Corporate capacity.

Strategic initiative Maintain a highly skilled and effective workplace.

Policy Not applicable.

Risk management considerations

Not applicable.

Financial / budget implications

Provision for the annual leave is included in the Budget for 2019-20.

Regional significance

Not applicable.

Sustainability implications

Not applicable.

Consultation

Not applicable.

COMMENT

The CEO has an entitlement in accordance with his employment contract for periods of annual leave. The dates requested are conducive to the operations of the City and are within his entitlements.

VOTING REQUIREMENTS

Simple Majority.

MOVED Cr Jones, SECONDED Cr Poliwka that Council APPROVES the request from the Chief Executive Officer for annual leave for the period 22 July to 2 August 2019.

The Motion was Put and

CARRIED (12/0)

In favour of the Motion: Mayor Jacob, Crs Chester, Dwyer, Fishwick, Hollywood, Jones, Logan, McLean, May, Norman, Poliwka and Taylor.

CJ061-05/19 TENDER 007/19 – SUPPLY AND DELIVERY OF PRECAST STORMWATER DRAINAGE PRODUCTS

WARD	All
RESPONSIBLE DIRECTOR	Mr Mike Tidy Corporate Services
FILE NUMBER	107942, 101515
ATTACHMENT	Attachment 1 Schedule of Items Attachment 2 Summary of Tender Submissions
AUTHORITY / DISCRETION	Executive - The substantial direction setting and oversight role of Council, such as adopting plans and reports, accepting tenders, directing operations, setting and amending budgets.

PURPOSE

For Council to accept the tender submitted by Holcim (Australia) Pty Ltd trading as Humes for the supply and delivery of precast stormwater drainage products.

EXECUTIVE SUMMARY

Tenders were advertised on 6 March 2019 through statewide public notice for the supply and delivery of precast stormwater drainage products. Tenders closed on 21 March 2019. A submission was received from each of the following:

- Holcim (Australia) Pty Ltd trading as Humes.
- Access Icon Pty Ltd (Cascada Group).
- Reinforced Concrete Pipes Australia (WA) Pty Ltd.
- Smartstream Technology Pty Ltd.
- TC Precast Pty Ltd.

The submission from Holcim (Australia) Pty Ltd trading as Humes represents best value to the City. The company has extensive experience providing engineered concrete solutions for the civil construction industry, which includes stormwater solutions and is the City's current contractor for precast stormwater drainage products. It has in the past successfully completed similar services for the City and is the incumbent supplier. Humes is well established with significant industry experience and proven capacity to provide the services to the City.

It is therefore recommended that Council ACCEPTS the tender submitted by Holcim (Australia) Pty Ltd trading as Humes for the supply and delivery of precast stormwater drainage products as specified in Tender 007/19 for a period of three years at the submitted schedule of rates, with any price variations subject to the percentage change in the Perth CPI (All Groups).

BACKGROUND

The City has a requirement for the supply and delivery of precast stormwater drainage pipes and fittings which includes:

- stormwater drainage pipes - various sizes and type of jointing
- liners, covers, bases and step irons suitable for gullies, manholes, soakwells
- universal side entry systems
- gross pollutant traps.

The City has a single contract in place with Holcim (Australia) Pty Ltd trading as Humes which will expire on 31 May 2019.

Tender assessment is based on the best value for money concept. Best value is determined after considering whole of life costs, fitness for purpose, tenderers' experience and performance history, productive use of City resources and other environmental or local economic factors.

DETAILS

The tender for the supply and delivery of precast stormwater drainage products was advertised through statewide public notice on 6 March 2019. The tender period was for two weeks and tenders closed on 21 March 2019.

Tender Submissions

A submission was received from each of the following:

- Holcim (Australia) Pty Ltd trading as Humes.
- Access Icon Pty Ltd (Cascada Group).
- Reinforced Concrete Pipes Australia (WA) Pty Ltd.
- Smartstream Technology Pty Ltd.
- TC Precast Pty Ltd.

The schedule of items listed in the tender is provided in Attachment 1 to Report CJ061-05/19.

A summary of the tender submissions including the location of each tenderer is provided in Attachment 2 to Report CJ061-05/19.

Evaluation Panel

The evaluation panel comprised three members:

- one with tender and contract preparation skills
- two with the appropriate operational expertise and involvement in supervising the contract.

The panel carried out the assessment of submissions in accordance with the City's evaluation process in a fair and equitable manner.

Evaluation Method and Weighting

The qualitative weighting method of tender evaluation was selected to evaluate the offers for this requirement. Prior to assessment of individual submissions, a determination was made, based on the selection criteria, of what would be an acceptable qualitative score that would indicate the ability of the tenderer to satisfactorily deliver the services. The predetermined minimum acceptable qualitative score was set at 50%.

The qualitative criteria and weighting used in evaluating the submissions received were as follows:

Qualitative Criteria		Weighting
1	Capacity	40%
2	Demonstrated Experience Providing Similar Services	30%
3	Demonstrated understanding of the required tasks	25%
4	Social and economic effects on the local community	5%

Compliance Assessment

All offers received were fully compliant and were considered for further evaluation. The submission from Humes was initially assessed as partially compliant but subsequently assessed as fully compliant following clarifications obtained from Humes about acceptance of the City's conditions of contract.

Qualitative Assessment

Smartstream Technology Pty Ltd scored 37.8% and was ranked fifth in the qualitative assessment. The company did not fully demonstrate the capacity required to carry out the services. Copies of its safety procedures and statistics were not provided. It listed three projects as references demonstrating experience providing similar services. Period and dates or duration of works were not provided. It did not address the criterion for demonstrated understanding of the required tasks and also failed to address safety management requirements in its submission.

TC Precast Pty Ltd scored 46.6% and was ranked fourth in the qualitative assessment. The company did not address specifically the criterion for demonstrated understanding of the required tasks. However, it stated the company has supplied precast drainage products to sub-divisions within the City for over 16 years. It has the capacity required to undertake the services though copies of its safety procedures and statistics were not supplied. It submitted information on referee contacts, which included Reilly Contractors and the Cities of Wanneroo and Fremantle, with no other information supporting its experience providing similar services.

Reinforced Concrete Pipes Australia (WA) Pty Ltd scored 52.3% and was ranked third in the qualitative assessment. The company has been supplying reinforced concrete pipes and precast products to a number of WA local governments including the Cities of Gosnells, Fremantle and Swan. It has sufficient industry experience and the capacity required to carry out the services. Though copies of its safety policy and statistics were not supplied, it stated the company's safety records will be available at award of contract. It submitted a brief response demonstrating its understanding of the required tasks. It indicated the company has supplied various local governments and understands the needs of meeting deadlines.

Cascada Group scored 54.1% and was ranked second in the qualitative assessment. The company has sufficient capacity to provide the services, however, its specific number of fulltime employees and safety statistics were not provided. It submitted a general response addressing experience, listing several local government clients that the company has supply contracts in place and those with no formal agreement. Period and dates of these contracts or duration of works were not supplied. Though it did not address specifically the criterion for demonstrated understanding of the required tasks, it supplied a logistics flowchart and outline of the tasks to be carried out for deliveries.

Humes scored 59.1% and was ranked first in the qualitative assessment. The company has extensive experience providing engineered concrete solutions for the civil construction industry, which includes stormwater solutions and is the City's current contractor for precast stormwater drainage products. Though it did not submit a specific response addressing its understanding of the required tasks, the company has in the past successfully completed similar services for the City and is the incumbent supplier. Humes is well established with significant industry experience and proven capacity to provide the services to the City.

Given the minimum acceptable qualitative score of 50%, Humes, Cascada Group and Reinforced Concrete Pipes Australia (WA) Pty Ltd qualified for stage two of the assessment.

Price Assessment

The panel carried out a comparison of the rates offered by each tenderer in order to assess value for money to the City.

The estimated expenditure over a 12 month period will vary based on demand and is subject to change in accordance with operational requirements. For the purposes of comparison of the financial value of the tenders, the tendered rates offered by each tenderer have been applied to actual historical usage data of all scheduled items. This provides a value of each tender for comparative evaluation purposes based on the assumption that the historical pattern of usage is maintained. There is no guarantee that this will occur, and actual costs will be paid on the actual usage in future.

The rates are fixed for the first year of the contract but are subject to a price variation in years two and three of the contract to a maximum of the CPI for the preceding year. For estimation purposes, a 2% CPI increase was applied to the rates in years two and three.

Tenderer	Year 1	Year 2	Year 3	Total
Humes	\$260,653	\$265,866	\$271,183	\$797,701
Cascada Group	\$263,388	\$268,656	\$274,029	\$806,072
Reinforced Concrete Pipes Australia (WA) Pty Ltd	\$262,284	\$267,529	\$272,880	\$802,693

During 2017-18, the City incurred \$267,931 for precast stormwater drainage products.

Issues and options considered

The City has a requirement for the supply and delivery of precast stormwater drainage pipes and fittings. The City does not have the internal resources to provide the required services and requires the appropriate external contractor to undertake the works.

Legislation / Strategic Community Plan / Policy implications

Legislation A statewide public tender was advertised, opened and evaluated in accordance with regulations 11(1) and 18(4) of Part 4 of the *Local Government (Functions and General) Regulations 1996*, where tenders are required to be publicly invited if the consideration under a contract is, or is estimated to be more, or worth more, than \$150,000.

Strategic Community Plan

Key theme The Natural Environment.

Objective Environmental resilience.

Strategic initiative Demonstrate current best practice in environmental management for local water, waste, biodiversity and energy resources.

Policy Not applicable.

Risk management considerations

Should the contract not proceed, the risk to the City will be high as the City will not be able to carry out various maintenance and capital works projects in a timely manner.

It is considered that the contract will represent a low risk to the City as the recommended tenderer is a well-established company with significant industry experience and proven capacity to provide the goods and services to the City.

Financial / budget implications

Account no.	Various capital and maintenance accounts.
Budget Item	Precast stormwater drainage products.
Budget amount	\$ 270,000
Amount spent to date	\$ 186,140
Proposed cost	\$ 21,721
Balance	\$ 62,139

The balance does not represent a saving at this time. The actual expenditure will depend on actual usage under the contract.

All amounts quoted in this report are exclusive of GST.

Regional significance

Not applicable.

Sustainability implications

This contract is an important part in preserving the City's natural environmental assets in line with the City's Environment Plan to implement improved stormwater management and water quality processes.

Consultation

Not applicable.

COMMENT

The evaluation panel carried out the evaluation of the submissions in accordance with the City's evaluation process and concluded that the offer submitted by Holcim (Australia) Pty Ltd trading as Humes represents best value to the City.

VOTING REQUIREMENTS

Simple Majority.

MOVED Mayor Jacob, SECONDED Cr Jones that Council ACCEPTS the tender submitted by Holcim (Australia) Pty Ltd trading as Humes for the supply and delivery of precast stormwater drainage products as specified in Tender 007/19 for a period of three years at the submitted schedule of rates, with any price variations subject to the percentage change in the Perth CPI (All Groups).

The Motion was Put and CARRIED (12/0) by Exception Resolution after consideration of CJ069-05/19, page 219 refers.

In favour of the Motion: Mayor Jacob, Crs Chester, Dwyer, Fishwick, Hollywood, Jones, Logan, McLean, May, Norman, Poliwka and Taylor.

Appendix 13 refers

To access this attachment on electronic document, click here: [Attach13brf190514.pdf](#)

CJ062-05/19 TENDER 008/19 – LAYING OF BRICK PAVERS

WARD	All
RESPONSIBLE DIRECTOR	Mr Mike Tidy Corporate Services
FILE NUMBER	107943, 101515
ATTACHMENT	Attachment 1 Schedule of Items Attachment 2 Summary of Tender Submissions
AUTHORITY / DISCRETION	Executive - The substantial direction setting and oversight role of Council, such as adopting plans and reports, accepting tenders, directing operations, setting and amending budgets.

PURPOSE

For Council to accept the tender submitted by HCC (Aust) Pty Ltd for the laying of brick pavers.

EXECUTIVE SUMMARY

Tenders were advertised on 6 March 2019 through statewide public notice for the laying of brick pavers. Tenders closed on 21 March 2019. A submission was received from each of the following:

- Construct Paving Services Pty Ltd.
- HCC (Aust) Pty Ltd.
- Safety Tactile Pave Pty Ltd.
- F O'Neill & J O'Neill (The Paving Repair Man).
- Longmuir, Iain James trading as The Paving Blokes.
- Bellaluca Construction and Stone Pty Ltd.
- JBC Barrett Constructions Pty Ltd.

The submission from HCC (Aust) Pty Ltd represents best value to the City. The company demonstrated a sound understanding of the required tasks. It has been providing paving installation and reinstatement services to various organisations including the Cities of Fremantle and Stirling. HCC (Aust) Pty Ltd is well established with sufficient industry experience and capacity to provide the services to the City.

It is therefore recommended that Council ACCEPTS the tender submitted by HCC (Aust) Pty Ltd for the laying of brick pavers as specified in Tender 008/19 for a period of three years at the submitted schedule of rates, with any price variations subject to the percentage change in the Perth CPI (All Groups).

BACKGROUND

The City has a requirement for the laying of brick pavers within the City of Joondalup as required for various capital works projects and for general reactive streetscape maintenance.

The contractor shall be responsible for:

- the laying of all pavers to the lines and levels specified by the City
- supply of all joint filling sand
- supply of bedding sand when requested by the City
- box out where required.

The City has a single contract in place with Tapps Contracting Pty Ltd which will expire on 31 May 2019.

Tender assessment is based on the best value for money concept. Best value is determined after considering whole of life costs, fitness for purpose, tenderers' experience and performance history, productive use of City resources and other environmental or local economic factors.

DETAILS

The tender for the laying of brick pavers was advertised through statewide public notice on 6 March 2019. The tender period was for two weeks and tenders closed on 21 March 2019.

Tender Submissions

A submission was received from each of the following:

- Construct Paving Services Pty Ltd.
- HCC (Aust) Pty Ltd.
- Safety Tactile Pave Pty Ltd.
- F O'Neill & J O'Neill (The Paving Repair Man).
- Longmuir, Iain James trading as The Paving Blokes.
- Bellaluca Construction and Stone Pty Ltd.
- JBC Barrett Constructions Pty Ltd.

The schedule of items listed in the tender is provided in Attachment 1 to Report CJ062-05/19.

A summary of the tender submissions including the location of each tenderer is provided in Attachment 2 to Report CJ062-05/19.

Evaluation Panel

The evaluation panel comprised four members:

- one with tender and contract preparation skills
- three with the appropriate operational expertise and involvement in supervising the contract.

The panel carried out the assessment of submissions in accordance with the City's evaluation process in a fair and equitable manner.

Evaluation Method and Weighting

The qualitative weighting method of tender evaluation was selected to evaluate the offers for this requirement. Prior to assessment of individual submissions, a determination was made, based on the selection criteria, of what would be an acceptable qualitative score that would indicate the ability of the tenderer to satisfactorily deliver the services. The predetermined minimum acceptable qualitative score was set at 50%.

The qualitative criteria and weighting used in evaluating the submissions received were as follows:

Qualitative Criteria		Weighting
1	Capacity	40%
2	Demonstrated experience providing similar services	30%
3	Demonstrated understanding of the required tasks	25%
4	Social and economic effects on the local community	5%

Compliance Assessment

The following offers received were assessed as fully compliant:

- Construct Paving Services Pty Ltd.
- HCC (Aust) Pty Ltd.
- Safety Tactile Pave Pty Ltd.
- The Paving Repair Man.
- Bellaluca Construction and Stone Pty Ltd.

The submission from The Paving Blokes was assessed as partially compliant. The Paving Blokes made critical assumptions relating to traffic management to be priced separately when required for each job. Its assumption is not in accordance with the City's requirements for traffic management to be inclusive in the schedule of rates offered for items where traffic management to be provided by the contractor.

The submission was included for further assessment on the basis that clarifications could be sought from The Paving Blokes, if shortlisted for consideration.

The submission from JBC Barrett Constructions Pty Ltd was assessed as non-compliant. JBC Barrett Constructions Pty Ltd proposed rates based on minimum 50m² which does not comply with the City's requirement. A large part of this contract is for patch repairs less than 50m². The submission was eliminated from further evaluation.

Qualitative Assessment

Bellaluca Construction and Stone Pty Ltd scored 13.7% and was ranked sixth in the qualitative assessment. The company did not submit a response to address its understanding of the required tasks or experience providing similar services. It provided insufficient information demonstrating capacity to complete the services. Limited information was given on paving staff and a copy of its safety statistics was not supplied.

The Paving Blokes scored 44.6% and was ranked fifth in the qualitative assessment. It has experience completing varying types of paving projects for various organisations including government entities. Its submission included examples of works though the duration of works or specific start and end dates of these contracts were not supplied. It demonstrated its understanding of the required tasks. However, it did not provide sufficient information demonstrating capacity to carry out the services. The number of fulltime employees, its structure of business and details of key personnel including their skills and experience were not provided.

The Paving Repair Man scored 48.2% and was ranked fourth in the qualitative assessment. It demonstrated its understanding of the required tasks. However, it submitted a general response demonstrating experience providing similar services. Its submission did not include specific examples or detailed scope of works, clients, period and dates of contracts. It did not fully demonstrate the capacity required to provide the services. The specific number of fulltime employees and details of key personnel including their qualifications and experience were not provided.

Safety Tactile Pave Pty Ltd scored 56.3% and was ranked third in the qualitative assessment. The company has sufficient capacity to undertake the services. It has been providing paving maintenance and installation services to state and local governments in WA including the Perth Transport Authority and the Cities of Cockburn and Wanneroo. It submitted a general methodology statement with no specific detail to demonstrate an understanding of the City's requirements.

HCC (Aust) Pty Ltd scored 58.5% and was ranked second in the qualitative assessment. The company has been providing paving installation and reinstatement services to various organisations involving major civil construction projects and local governments including the Cities of Fremantle and Stirling. It demonstrated a sound understanding of the required tasks. HCC (Aust) Pty Ltd is well established with sufficient industry experience and capacity to provide the services to the City.

Construct Paving Services Pty Ltd scored 70.8% and was ranked first in the qualitative assessment. The company has experience completing brick paving and maintenance works for various organisations in WA including Tapps Contracting, the City's current contractor for brick paving. It has the capacity required to carry out the services. It demonstrated a sound understanding of the required tasks.

Given the minimum acceptable qualitative score of 50%, Construct Paving Services Pty Ltd, HCC (Aust) Pty Ltd and Safety Tactile Pave Pty Ltd qualified for stage two of the assessment.

Price Assessment

The panel carried out a comparison of the rates offered by each tenderer in order to assess value for money to the City.

The estimated expenditure over a 12 month period will vary based on demand and is subject to change in accordance with operational requirements. For the purposes of comparison of the financial value of the tenders, the tendered rates offered by each tenderer have been applied to actual historical usage data of all scheduled items. This provides a value of each tender for comparative evaluation purposes based on the assumption that the historical pattern of usage is maintained. There is no guarantee that this will occur and actual costs will be paid on the actual usage in future.

The rates are fixed for the first year of the contract but are subject to a price variation in years two and three of the contract to a maximum of the CPI for the preceding year. For estimation purposes, a 2% CPI increase was applied to the rates in years two and three.

Tenderer	Year 1	Year 2	Year 3	Total
Construct Paving Services Pty Ltd	\$657,922	\$671,080	\$684,502	\$2,013,503
HCC (Aust) Pty Ltd	\$599,917	\$611,915	\$624,153	\$1,835,985
Safety Tactile Pave Pty Ltd	\$641,088	\$653,910	\$666,988	\$1,961,985

During 2017-18, the City incurred \$657,922 for laying of brick pavers.

Evaluation Summary

Tenderer	Price Ranking	Total Estimated Contract Price	Qualitative Ranking	Weighted Percentage Score
Construct Paving Services Pty Ltd	3	\$2,013,503	1	70.8%
HCC (Aust) Pty Ltd	1	\$1,835,985	2	58.5%
Safety Tactile Pave Pty Ltd	2	\$1,961,985	3	56.3%

Based on the evaluation result the panel concluded that the tender from HCC (Aust) Pty Ltd provides best value to the City and is therefore recommended.

While Construct Paving Services Pty Ltd scored higher (70.8%) in the qualitative criteria, its offer was \$177,518 more expensive when compared to HCC (Aust) Pty Ltd and did not provide any additional level of service that would warrant the additional cost.

Issues and options considered

The City has a requirement for the laying of brick pavers within the City of Joondalup as required for various capital works projects and for general reactive streetscape maintenance. The City does not have the internal resources to provide the required services and requires the appropriate external contractor to undertake the works.

Legislation / Strategic Community Plan / Policy implications

Legislation A statewide public tender was advertised, opened and evaluated in accordance with regulations 11(1) and 18(4) of Part 4 of the *Local Government (Functions and General) Regulations 1996*, where tenders are required to be publicly invited if the consideration under a contract is, or is estimated to be more, or worth more, than \$150,000.

Strategic Community Plan

Key theme Quality Urban Environment.

Objective Quality built outcomes.

Strategic initiative Buildings and landscaping is suitable for the immediate environment and reflect community values.

Policy Not applicable.

Risk management considerations

Should the contract not proceed, the risk to the City will be high as the City needs an established contractor to lay brick pavers as required for various capital works projects and for general reactive streetscape maintenance.

It is considered that the contract will represent a low risk to the City as the recommended tenderer is a well-established company with sufficient industry experience and capacity to provide the services to the City.

Financial / budget implications

Account no.	Various capital and maintenance accounts.
Budget Item	Laying of brick pavers.
Estimated Budget amount	\$ 660,000
Amount spent to date	\$ 451,107
Proposed cost	\$ 49,993
Balance	\$ 158,900

The balance does not represent a saving at this time. The actual expenditure will depend on actual usage under the contract.

All amounts quoted in this report are exclusive of GST.

Regional significance

Not applicable.

Sustainability implications

Not applicable.

Consultation

Not applicable.

COMMENT

The evaluation panel carried out the evaluation of the submissions in accordance with the City's evaluation process and concluded that the offer submitted by HCC (Aust) Pty Ltd represents best value to the City.

VOTING REQUIREMENTS

Simple Majority.

MOVED Mayor Jacob, SECONDED Cr Jones that Council ACCEPTS the tender submitted by HCC (Aust) Pty Ltd for the laying of brick pavers as specified in Tender 008/19 for a period of three years at the submitted schedule of rates, with any price variations subject to the percentage change in the Perth CPI (All Groups).

The Motion was Put and CARRIED (12/0) by Exception Resolution after consideration of CJ069-05/19, page 219 refers.

In favour of the Motion: Mayor Jacob, Crs Chester, Dwyer, Fishwick, Hollywood, Jones, Logan, McLean, May, Norman, Poliwka and Taylor.

Appendix 14 refers

To access this attachment on electronic document, click here: [Attach14brf190514.pdf](#)

**CJ063-05/19 CONFIDENTIAL – PROPOSED DISPOSAL OF
LOT 2 (20) KANANGRA CRESCENT, GREENWOOD**

WARD	South-East
RESPONSIBLE DIRECTOR	Mr Garry Hunt Chief Executive Officer
FILE NUMBER	29562, 101515, 63627
ATTACHMENT	Attachment 1 Location Plan and Photographs <i>(Please Note: The Report and Attachment is confidential and will appear in the official Minute Book only)</i>
AUTHORITY / DISCRETION	Executive - The substantial direction setting and oversight role of Council, such as adopting plans and reports, accepting tenders, directing operations, setting and amending budgets.

This item was dealt with later in the meeting, after 'Motions of Which Previous Notice Has Been Given', page 229 refers.

REPORTS – MAJOR PROJECTS AND FINANCE COMMITTEE – 6 MAY 2019

CJ064-05/19 2020-21 COMMUNITY FACILITY REFURBISHMENT PROJECT – ELLERSDALE PARK CLUBROOM

WARD	South	
RESPONSIBLE DIRECTOR	Mr Mike Tidy Corporate Services	
FILE NUMBER	18812, 101515	
ATTACHMENTS	Attachment 1	Ellersdale Park Clubroom aerial
	Attachment 2	Ellersdale Park Clubroom floorplan (existing)
	Attachment 3	Ellersdale Park Clubroom concept plan
	Attachment 4	Ellersdale Park Clubroom cost estimate
	Attachment 5	Ellersdale Park Clubroom consultation report
AUTHORITY / DISCRETION	Executive - The substantial direction setting and oversight role of Council, such as adopting plans and reports, accepting tenders, directing operations, setting and amending budgets.	

PURPOSE

For Council to consider the concept plans and estimated capital costs for the 2020-21 refurbishment project for Ellersdale Park Clubroom, Warwick.

EXECUTIVE SUMMARY

Ellersdale Park Clubroom is located on Ellersdale Park on Ellersdale Avenue, Warwick (Attachment 1 refers). The park is classified as a 'Local Park' within the City's existing *Parks and Public Open Spaces Classifications Framework*. The park has an active sporting field, two sports floodlighting poles, centre cricket wicket, two cricket practice nets, three on three basketball pad and a playground.

The facility was constructed in two stages with the toilet / changeroom building built in 1970 and the separate clubroom built in 1979 (Attachment 2 refers). In 2007-08 the clubroom was refurbished with a new kitchen, toilets and painting. In 2010-11 the verandah adjoining the two buildings was replaced and in 2016-17 the Warwick Greenwood Junior Football Club constructed an additional storeroom.

At its meeting held on 12 December 2017 (CJ205-12/17 refers), Council noted the active reserve and community facility review report and the recommendations made for the refurbishment projects based on a strategic approach to the future provision of community and sporting facilities and infrastructure.

As part of the report it was recommended that \$935,000 be listed in 2020-21 of the *Capital Works Program* for the Ellersdale Park Clubroom and changeroom refurbishment due to the age and condition of the buildings which are considered inadequate to service the user groups due to the following issues:

- Lack of internal storage.
- Existing internal toilets do not meet access and inclusion requirements.
- Limited change room space and lack of showers.
- No umpire change room.

As part of the feasibility and planning stage for the project, stakeholder consultation was undertaken with all regular user groups. Considering the feedback and priorities identified by the City, a scope of works was developed in order to complete concept plans and a cost estimate.

Community consultation was conducted from Friday 9 November to Friday 30 November 2018 in accordance with the City's *Community Consultation and Engagement Policy and Protocol*. Targeted consultation was undertaken with residents within 200 metres of Ellersdale Park and park user groups. The City received 22 valid responses during the consultation period (Attachment 5 refers). Respondents were asked to indicate their level of support for the refurbishment project with over 95% of respondents either supporting or strongly supporting the project. Most of the support for the project was from respondents affiliated with regular user groups.

Currently, there is \$935,000 listed in 2019-20 and 2020-21 for construction in the City's *Five Year Capital Works Program* for the Ellersdale Park Clubroom refurbishment project. Based on the agreed concept plan the cost estimate for the project is \$900,000.

It is therefore recommended that Council:

- 1 *NOTES that \$100,000 (reserve funds) is listed in 2019-20 for detailed design and \$835,000 (reserve funds) is listed in 2020-21 for construction within the City's Five Year Capital Works Program for the refurbishment of Ellersdale Park Clubroom;*
- 2 *APPROVES the proposed refurbishment works at Ellersdale Park Clubroom as detailed in this Report to proceed to the detailed design and tender stage.*

BACKGROUND

Suburb/Location	50 Ellersdale Avenue Warwick WA 6024.
Applicant	City of Joondalup.
Owner	Crown Land – City of Joondalup Management Order.
Zoning	DPS Parks and Recreation.
	MRS Urban.
Site area	35,815m ² .
Structure plan	Not applicable.

Refurbishment projects are intended to improve the functionality and aesthetics of the facility and are not designed to undertake general maintenance. The scope of each project is generally confined to the following aspects:

- Painting.
- Replacing fixtures and fittings.

- Upgrading external environments – for example building pathways, landscaping around the building and signage.
- Kitchen facilities.
- Floor coverings.
- Toilets and changerooms (including refurbishment or new extensions).
- Storage facilities (extensions to the facility).
- Heating / cooling systems.
- Window treatments.

Ellersdale Park Clubroom is located on Ellersdale Park on Ellersdale Avenue, Warwick (Attachment 1 refers). The park is classified as a 'Local Park' within the City's existing *Parks and Public Open Spaces Classifications Framework*. The park has an active sporting field, two sports floodlighting poles, centre cricket wicket, two cricket practice nets, three on three basketball pad and a playground.

The facility was constructed in two stages with the toilet / changeroom building built in 1970 and the separate clubroom built in 1979 consisting of a meeting room, kitchen, store and toilets (Attachment 2 refers). In 2007-08 the clubroom was refurbished with a new kitchen, toilets and painting. In 2010-11 the verandah adjoining the two buildings was replaced and in 2016-17 the Warwick Greenwood Junior Football Club constructed an additional storeroom.

The clubroom is used by two community groups (approximately 60 members) and both the park and the clubroom are used in summer by the Warwick Greenwood Junior Cricket Club (220 members) and Warwick Greenwood Senior Cricket Club (105 members) and during the winter by the Warwick Greenwood Junior Football Club (500 members).

At its meeting held on 12 December 2017 (CJ205-12/17 refers), Council noted the active reserve and community facility review report and the recommendations made for the refurbishment project based on a strategic approach to the future provision of community and sporting facilities and infrastructure.

As part of the report it was recommended that \$935,000 be listed in 2020-21 of the *Capital Works Program* for Ellersdale Park Clubroom and changeroom refurbishment due to the age and condition of the buildings which are considered inadequate to service the user groups due to the following issues:

- Lack of internal storage (including furniture).
- Meeting room capacity is limited to 80 people due to the number of toilets.
- Existing internal toilets do not meet access and inclusion requirements.
- Limited changeroom space and lack of showers.
- No umpire changeroom.

DETAILS

Stakeholder consultation

As part of the feasibility and planning stage, stakeholder consultation was undertaken with all regular user groups. All user groups signed off the draft concept plans agreeing with all the proposed works to be considered as part of the projects.

Concept plans and capital cost estimates

A scope of works was developed based on addressing the functionality issues and challenges identified during stakeholder consultation. Facility concept plans were developed based on the scope of works and cost estimates were obtained from an external quantity surveyor.

The proposed facility concept plan (Attachment 3 refers) is in line with the City's standard facility fit-out specifications and includes the following:

- Refurbish and extend the meeting room to include new toilets and storage. This will increase the meeting room capacity to 103 people.
- Refurbish and extend the changerooms to include a new umpire changeroom and a new external unisex accessible park toilet (including automatic timed door lock system).

Other minor works to be undertaken will include replacement of flooring, windows and doors, a new heating / cooling system, a new alarm and security screens and the rendering and painting of the exterior. The extension works will also require the relocation of the three-on-three basketball pad and new pathways.

During construction, the community groups will be relocated to alternative nearby facilities and the sporting clubs will be provided with a temporary meeting room, storage and toilet facilities to enable them to continue to utilise the park for sporting activities.

The below table is a summary of the items and cost estimates (Attachment 4 refers):

Item	Cost
Meeting room extension	\$ 418,500
New external unisex accessible park toilet and umpire changeroom	\$ 190,660
Changeroom extension	\$ 252,340
Removal and replacement of three on three basketball pad	\$ 6,600
New pathways	\$ 3,380
Temporary facilities	\$ 28,520
TOTAL	\$ 900,000

The cost estimate summary table includes preliminaries and small works margin (15%), professional fees in order to undertake detailed design (12%), design contingencies (5%), building contingencies (5%) and cost escalation to June 2020 (3.67%).

It is not recommended to adjust the project budget given the estimated capital cost is based on high level concept plans and tender prices may differ following the detailed design stage.

All amounts quoted in this report are exclusive of GST.

Issues and options considered

Not applicable.

Legislation / Strategic Community Plan / Policy implications

Legislation Not applicable.

Strategic Community Plan

Key theme Community Wellbeing.

Objective	Quality facilities.
Strategic initiative	<ul style="list-style-type: none"> • Support a long-term approach to significant facility upgrades and improvements. • Understand the demographic context of local communities to support effective facility planning.
Policy	<i>Requests for New or Capital Upgrades to Existing Community Buildings Policy.</i>

Risk management considerations

All capital projects bring risks in relation to contingencies and over-runs against original design. The capital cost estimates are based on high level concept plans and may differ once further detailed designs are undertaken for the project.

Financial / budget implications

Account no.	BCW2562.
Budget Item	Ellersdale Park Clubroom refurbishment.
Budget amount	\$935,000 (\$100,000 2019-20 and \$835,000 2020-21).
Amount spent to date	Nil.
Proposed cost	Nil.
Balance	\$935,000.
Annual operating cost	The current annual operating costs for Ellersdale Park Clubroom is approximately \$24,000 per year. This is based on the average operating expenses for the past three years comprising of cleaning, maintenance and utilities (\$11,500); depreciation (\$14,000) less the operating income of \$1,500.
Estimated capital costs and funding	The total one-off cost is estimated at \$900,000, fully funded by the City. The adopted <i>20 Year Strategic Financial Plan</i> assumes that the costs will be funded by the Strategic Asset Management Reserve. It is estimated that \$108,000 of the capital cost relates to renewal of existing assets, the other \$792,000 are upgrade / new assets which increase the operating costs and therefore impact the City's ability to address the operating deficit.
Operating impact	<p>The capital costs of \$900,000 are estimated to result in an increase in depreciation from \$14,000 per year to \$30,000 per year.</p> <p>The size of the proposed extension works is approximately 95m². The average cost per square metre for maintenance / utilities for sporting facilities is \$65.26m². Therefore, the increase in cleaning, maintenance and utilities will be approximately \$6,200. Therefore, the revised cleaning, maintenance and utilities costs are estimated to increase from \$11,500 to \$17,700 per year.</p> <p>It is assumed that there will not be any increase in operating income.</p>

The overall operating impacts are estimated to increase by \$22,200. This comprises of the additional depreciation of \$16,000 and an increase in cleaning, maintenance and utilities of \$6,200. The overall cost of the facility will therefore increase from \$24,000 to \$46,200 per year.

Operating deficit / 20 Year Financial Plan impact

The adopted *20 Year Strategic Financial Plan* has included an estimated increase in depreciation of \$16,000. However, the increase in cleaning, maintenance and utilities of \$6,200 has not been included so this will impact the ability to address the operating deficit. The *20 Year Strategic Financial Plan* is updated on an annual basis. The next update will be early 2019 and will include the updated projections for this project.

Write-off / disposal

It is estimated that the renewal component of the project will result in a one-off cost of approximately \$4,000 which will lower the operating results during the year of completion.

All amounts quoted in this report are exclusive of GST.

Regional significance

Not applicable.

Sustainability implications

Environmental

All facility refurbishment projects are planned to reduce the impact of the carbon footprint and consider environmental sustainability design features where possible within the project budget for example LED lighting, waterless urinals, water saving taps and toilet cisterns and insulation.

Social

The project has included consultation with the existing user groups of the facility and local community to ensure that feedback received represents their needs. Furthermore, refurbishment works consider access and inclusion principles with the aim to enhance the amenity of the public space.

Economic

Not applicable.

Consultation

Community consultation was conducted from Friday 9 November to Friday 30 November 2018 in accordance with the City's *Community Consultation and Engagement Policy and Protocol*. Targeted consultation was undertaken with residents within 200 metres of Ellersdale Park and park user groups. In addition, consultation documentation was available on the City's website for any other interested community members to make comment. The consultation was advertised through the following methods:

- Direct mail out – cover letter and frequently asked questions sheet was sent to the identified stakeholders.
- Site signage – three signs were placed at the park during the consultation period.
- City's website – frequently asked questions sheet and online comment form were available on the City's website during the consultation period.

The aim of the community consultation was to determine the level of support for the project. The City received 22 valid responses during the consultation period (Attachment 5 refers). Respondents were asked to indicate their level of support for the refurbishment project with over 95% of respondents either supporting or strongly supporting the project. Most of the support for the project was from respondents affiliated with regular user groups.

In addition, respondents were asked if they had any additional comments regarding the project. Seventeen respondents provided feedback and common themes included the following:

- Belief that the building is overdue for refurbishment / replacement (eight).
- Belief that the existing building is too small and has inadequate access to facilities, such as toilets (three).
- Belief that additional parking would be beneficial (three).

COMMENT

Currently, there is \$935,000 listed in 2019-20 and 2020-21 for construction in the City's *Five Year Capital Works Program* for the Ellersdale Park Clubroom refurbishment project. The estimated capital cost as provided by the external Quantity Surveyor for this project is \$900,000. It is not recommended to adjust the project budget given the estimated capital cost is based on high level concept plans and tender prices may differ following the detailed design stage.

VOTING REQUIREMENTS

Simple Majority.

COMMITTEE RECOMMENDATION

The committee recommendation to Council for this report (as detailed below) was resolved by the Major Projects and Finance Committee at its meeting held on 6 May 2019.

The committee recommendation is the same as recommended by City officers.

Cr McLean left the Chamber at 8.48pm and returned at 8.50pm.

MOVED Cr Fishwick, SECONDED Cr Dwyer that Council:

- 1** **NOTES** that \$100,000 (reserve funds) is listed in 2019-20 for detailed design and \$835,000 (reserve funds) is listed in 2020-21 for construction within the City's *Five Year Capital Works Program* for the refurbishment of Ellersdale Park Clubroom;
- 2** **APPROVES** the proposed refurbishment works at Ellersdale Park Clubroom as detailed in Report CJ064-05/19 to proceed to the detailed design and tender stage.

The Motion was Put and

CARRIED (12/0)

In favour of the Motion: Mayor Jacob, Crs Chester, Dwyer, Fishwick, Hollywood, Jones, Logan, McLean, May, Norman, Poliwka and Taylor.

Appendix 15 refers

To access this attachment on electronic document, click here: [Attach15brf190514.pdf](#)

CJ065-05/19 AMEND EXISTING VEHICLE, PLANT AND EQUIPMENT RESERVE TO BECOME THE ASSET RENEWAL RESERVE

WARD	All
RESPONSIBLE DIRECTORS	Mr Mike Tidy Corporate Services
FILE NUMBER	107632, 101515
ATTACHMENTS	Attachment 1 Asset Renewal Reserve Schedule
AUTHORITY / DISCRETION	Executive – The substantial direction setting and oversight role of Council, such as adopting plans and reports, accepting tenders, directing operations, setting and amending budgets.

PURPOSE

For Council to amend the existing Vehicle, Plant and Equipment Reserve to become the Asset Renewal Reserve (ARR) to assist with the funding of asset renewals from 2019-20 onwards.

EXECUTIVE SUMMARY

As part of its asset management and long-term strategic financial planning the City has been considering how it may best manage the need for asset renewals into the future. The City's infrastructure assets are currently relatively young, but as they get older there will need to be higher levels of capital expenditure on renewals to ensure that these infrastructure assets continue to maintain the same level of service to the community. In the preparation of the Capital Works Budget in recent years, the City has refined its analysis of works requirements related to new, upgrade and renewal of assets to improve its assessment of asset useful lives and the future requirements for renewals. It is proposed that an ARR would address the financial requirement to provide for future asset renewals.

In addition to this the City has reviewed the operation of the existing Vehicle, Plant and Equipment Reserve. The reserve was established to assist with the needs for vehicle, plant and equipment renewal and was designed to smooth out the financial impact of peaks and troughs in the renewal program. The reserve has been accumulating funds at a greater level than expected. This is due to maintaining an annual \$1.8 million allocation to vehicle, plant and equipment purchases but with declining vehicle, plant and equipment replacement expenditure net excesses have been regularly transferred to the reserve.

In consideration of both the requirement for an ARR which would be new and currently has no funding and the review of the Vehicle, Plant and Equipment reserve which has excess funding it is proposed that existing Vehicle, Plant and Equipment reserve is renamed the Asset Renewal Reserve. The purpose of the renamed reserve would then be extended to cover the renewal of existing City infrastructure, building assets and vehicle, plant and equipment to ensure that the City can continue to utilise these at service levels expected.

It is therefore recommended that Council:

1 NOTES the definition of capital expenditure as follows:

“Renewal” - capital expenditure on existing assets/infrastructure. The renewal expenditure ensures that the asset can continue to be used as it has been previously used e.g. a 1.8 metre path is replaced with a 1.8 metre path.

“New” - Capital expenditure on a completely new asset, that did not exist in any form beforehand.

“Upgrade” - Changing the use of an existing asset to improve or extend service potential/economic benefit. For example, the replacement of an existing 1.8 metre path with a 2.3 metre path. In this example the expenditure on the 1.8 metres would be classed as renewal and the additional 0.5 metres classed as upgrade.”;

2 LISTS for consideration in the draft 2019-20 Budget the establishment of an Asset Renewal Reserve by renaming and redefining the purpose of the existing Vehicle, Plant and Equipment Reserve, for the purpose as follows:

“To fund renewal of existing City infrastructure, building assets and vehicle, plant and equipment to ensure that the City can continue to utilise these at service levels expected. The Asset Renewal Reserve will not be used to fund upgrades of existing assets or acquisition or construction of new assets”;

3 Subject to the establishment of an Asset Renewal Reserve as part of the draft 2019-20 Budget ENDORSES the Asset Renewal Reserve being based on the following:

3.1 Annual Renewal expenditure from 2019-20 onwards to be funded in its entirety from the Asset Renewal Reserve;

3.2 Annual transfer from operating cash surplus to the Asset Renewal Reserve to be determined using a forecast of future renewal requirements and update of the Asset Renewal Reserve Schedule. The transfer will be included within the budget process. The transfer from operating cash flows into the reserve will either be:

3.2.1 more than required for the following year's renewals (the surplus will then be retained in the Asset Renewal Reserve to fund later years);

3.2.2 same as required for the following years asset renewals;

3.2.3 lower than required for following year's renewals (the shortfall required to fund renewals will be a transfer out of the Asset Renewal Reserve);

3.3 Upgrade and New Expenditure is not funded by the Asset Renewal Reserve;

3.4 Asset Renewal Reserve to be managed by the City in accordance with the process and principles within this Report;

4 LISTS for consideration in the draft 2019-20 Budget the renaming of the Strategic Asset Management Reserve to the Strategic Asset Reserve and the change in purpose to the following:

“The Strategic Asset Reserve is used for the purposes of new or upgrade capital expenditure on major projects or those projects as determined by Council. The Reserve is not to be used for asset renewal expenditure.”.

BACKGROUND

Glossary

The glossary below is used to explain some of the technical terms used in this report:

Ref	Term	Definition
1	Renewal Expenditure	Capital expenditure on existing assets/infrastructure. The renewal expenditure ensures that the asset can continue to be used as it has been previously used such as a 1.8 metre path is replaced with a 1.8 metre path.
2	New Expenditure	Capital expenditure on a completely new asset, that did not exist in any form beforehand.
3	Upgrade expenditure	Changing the use of an existing asset to improve or extend service potential/economic benefit. For example, the replacement of an existing 1.8 metre path with a 2.3 metre path. In this example the expenditure on the 1.8 metres would be classed as renewal and the additional 0.5 metres classed as upgrade.
4	Asset Class / Group / Type	<p>An asset class relates to an overall set of assets that relate to an overall level of service provided to the community such as roads, parks.</p> <p>Within an Asset Class there are then Asset Groups each of which have similar functions, but not always the exact same function. For example, in the Parks Asset Class there is an Asset Group called Furniture and Equipment, which relates to a variety of different assets throughout parks.</p> <p>Within each Asset Group there is a more specific set of assets referred to “Asset Types” which perform the same function. For example within the Asset Group of Furniture and Equipment there is an Asset Type for “BBQs”, “Seating”, “Shade Sails”.</p>
5	Level of Service	The level of service relates to the condition and performance of an asset that is expected or agreed by its users (such as community). The level of service can be different for different types of assets dependent on their location and profile within the community.
6	Useful life	The anticipated life in years that an asset is expected to provide a level of service to the community.
7	Depreciation	Non cash financial cost per year of consuming assets.

Ref	Term	Definition
8	Smoothing	This term is used to describe the practice of phasing expenditure over several years rather than all in one year. For example if a renewal plan indicated that \$20 million drainage renewal was required in a single year this could be impractical or indeed impossible to complete, so the \$20 million could be phased over four years, with \$5 million in each year.
9	Operating Cashflows	This relates to the cashflow in/out due to recurring general activities (such as rates, fees/charges, employment expenses, materials/contracts, utilities). Operating Cashflows exclude depreciation because depreciation is a non-cash item.
10	Asset Management Plan	A plan that is prepared for one asset class and outlines the demand and level of service for the asset class and how that should be achieved. The <i>Asset Management Plan</i> will include a review of useful lives and projected long-term renewal plans.
11	Intergenerational equity	This term means that each generation of ratepayers pays for their fair share of costs.

Asset Replacement Reserve History

In 1986-87 an ARR was created to assist with financing various essential assets. In 2010-11 Council resolved to merge the old Strategic Asset Management and ARR into the Strategic Asset Management Reserve (SAMR), which remains in place. The intention with the newly formed reserve in 2010-11 was to fund the acquisition and development of new and renewal of existing City infrastructure and building assets. As the years have progressed though the SAMR has tended to be used mostly for new assets only, the only major renewals funded by the reserve are the current City Centre Street Lighting project.

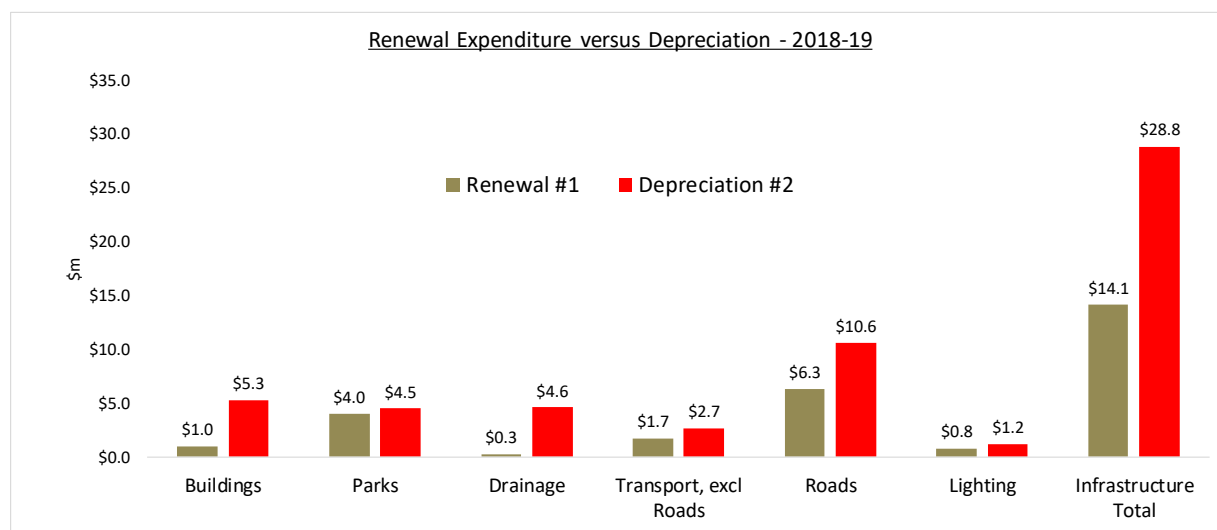
The City now has a much clearer view of the increases in renewal expenditure that are likely in future years to ensure that existing assets can continue to provide a satisfactory level of service to the community.

Asset Values

The City is responsible for a large asset base, over \$2.1 billion at full replacement cost. The City needs to ensure that it maintains the assets and renews at appropriate times to ensure that the assets continue to provide a satisfactory level of service.

Asset Renewal Expenditure versus Depreciation 2018-19

The City's assets and infrastructure are relatively young in comparison to their expected useful lives. For example, the City's drainage assets are mostly less than 40 years old, but their estimated useful life is between 75 and 100 years. Consequently, the City is currently spending a lot less on capital renewal expenditure for assets than is being consumed as represented by depreciation. This is shown in the figure below. There is estimated to be \$28.8 million of depreciation expense in 2018-19 for total infrastructure assets, but expenditure on asset renewals is proposed to be \$14.1 million, less than 50% of depreciation.

Figure 1 Renewal Expenditure versus Depreciation 2018-19

#1 Adopted CWP 2018-19, extract from PPIBS

#2 Depreciation budget sourced from Finance One Sept 2018

Vehicle, Plant and Equipment Reserve History

The Vehicle, Plant and Equipment Reserve was created in 2008-09, for the purpose of supporting the funding of vehicle, plant and equipment purchases, by amalgamating the previous separate reserves for Heavy Vehicles Replacement, Light Vehicle Replacement and Plant Replacement. These had all originally been created in 1996-97. The reserve is managed, and the transfers in/out determined by the following:

- Net expenditure on Vehicles, Plant and Equipment for the year which is the difference between the capital expenditure less the disposal proceeds for assets sold.
- An annual municipal funding amount of \$1.8 million was established, so:
 - i) if the net expenditure is less than \$1.8 million then the municipal fund would transfer the difference into the reserve to help for those years that need more
 - ii) if the net expenditure is more than the \$1.8 million then the shortfall would be transferred out from the reserve into municipal fund.

The reserve balance has steadily grown because the net expenditure has been less than \$1.8 million for most years resulting in a steadily growing net gain compared to what was originally anticipated. The projected June 2019 balance of the reserve \$5 million. The forecast transfers in/out of the reserve over the next 20 years have been projected and indicate that the balance on the reserve may be as high as \$7.5 million by 2026-27, while the lowest balance in the reserve would be \$4 million in 2022-23.

The forecast of the reserve therefore indicates there is more funding than is projected to be required just for vehicles, plant and equipment. There is an opportunity to consider better utilising these reserve funds by expanding the scope to meet the needs for infrastructure and asset renewal. This could be achieved by renaming the reserve as an Asset Renewal Reserve and expanding its definition.

Projected Renewal Expenditure and Potential Funding Gap

While the City's infrastructure assets are relatively young, as they get older there will need to be higher levels of capital expenditure on renewals to ensure that these infrastructure assets continue to maintain the same level of service to the community.

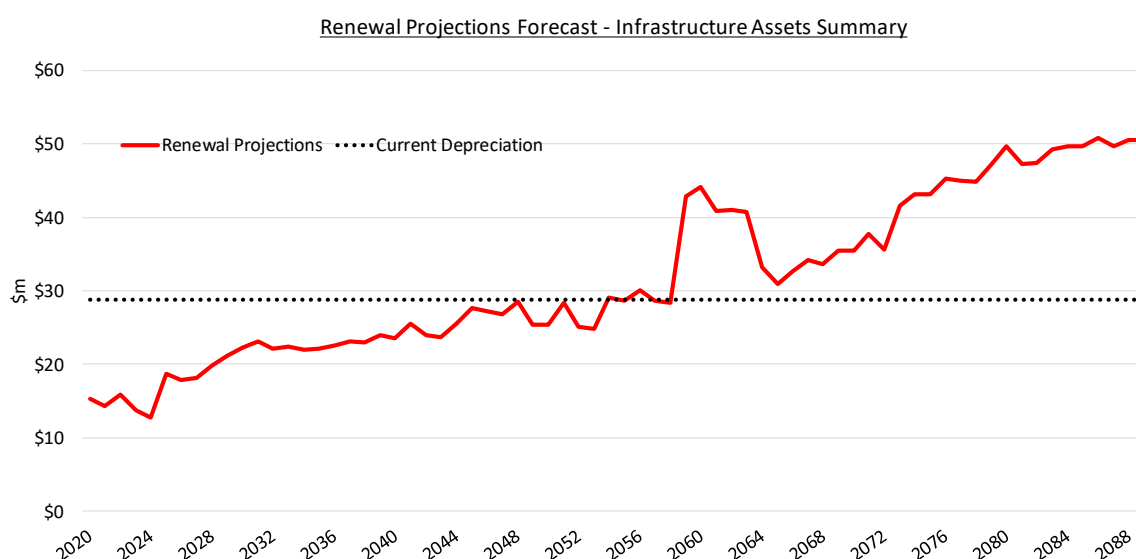
To help plan for these future needs it is proposed to establish an ARR. The purpose of the ARR will be to fund renewal of existing City infrastructure, building assets and vehicles, plant and equipment to ensure that the City can continue to utilise these at service levels expected. The ARR will not be used to fund upgrades of existing assets or acquisition or construction of new assets.

A detailed 70 year forecast of capital renewal requirements and funding required from an ARR has been prepared (Attachment 1 refers). The schedule indicates that there will need to be a gradual increase in the transfers into the ARR, but it is not intended that there should be higher rate increases to fund the ARR. One of the key objectives of the ARR is to avoid unsustainable rate increases in later years to fund higher expenditure on renewals and this can be achieved by commencing now to provide progressively for these.

The long-term projections of the ARR demonstrate that it is vital for the reserve balances to be steadily increased in the next few years so that there is adequate funding for renewals in later years. Within the next five years from 2019-20 to 2023-24 it is estimated that the City would need to fund a net \$10 million into the ARR. The adopted Capital Works Program 2018-19 to 2022-23 (CWP) has implemented reductions in comparison to the previous CWP which has resulted in estimated increases to the SAMR of \$6.4 million over the five years, this should instead be used as partial funding of the ARR. In addition, it is projected within the *20 Year Strategic Financial Plan (SFP)* that there will be sufficient operating cash surpluses to fully fund the ARR.

Figure 2 below shows projected renewal expenditure for all infrastructure assets for the next 70 years. This indicates that renewal requirements will increase to approximately \$25 million by mid 2040s. There will be steady increases thereafter and in 70 years time the renewal expenditure may be as high as \$51 million, four times as much as current renewals. (note that the values below exclude escalation). The projected renewals have been calculated using the City's inventory and asset lives, these projections will change in the years ahead due to a wide number of factors (such as useful life reviews, replacement costs and condition assessment). Although the actual renewals will be different to those projected, there will definitely be an upward trend. The chart also shows existing depreciation and that in the short-term renewals would not be expected to match depreciation, but in later years renewals may be higher than depreciation expense.

Figure 2 – Capital Renewal Projections 2020 to 2089

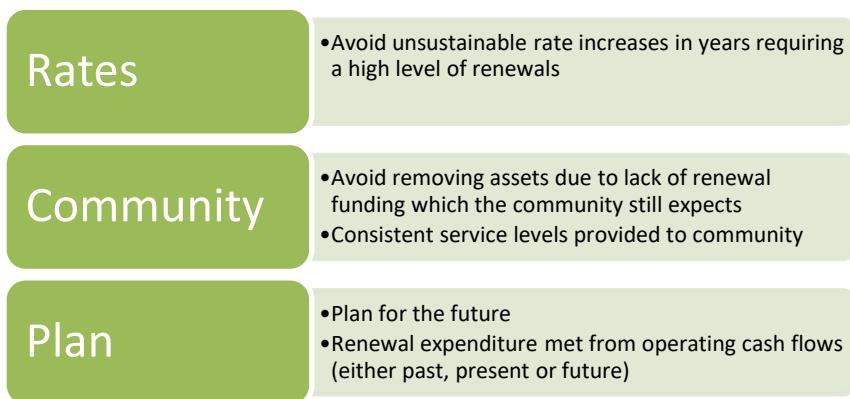


Although the timeframes above are some years away, it is important for the City to plan for the long-term and ensure that current users of the City's infrastructure do not leave behind a funding gap for future generations. This report considers options on how the City may approach this issue.

Objectives

The following are the key objectives of planning for long-term renewal expenditure.

Figure 3 – Objectives of Planning for Capital Renewal Expenditure



DETAILS

Options

Unless the City considers funding strategies for increases in renewal expenditure the result could be very high rate increases in future years. For example, in Figure 2 an increase in renewal expenditure of over \$30 million is projected, a \$30 million increase equates to a 30% rate increase. There are several options that the City can use to plan for increases in long-term renewal requirements:

Option 1 - Do Nothing

There are many assets at present (for example drainage) which require no renewal expenditure for a number of years, but in the longer term there will be a need for much higher renewals and potentially over a short timeframe. If the City did not have the financial capacity to meet the renewal requirements there could be asset failures and significant impacts to the community. There could also be unsustainable rate increases to fund large increases in renewals. This option is not considered viable due to the risk to the community in asset failure and financial sustainability.

Option 2 – Smoothing

This results in the City not using assets to their optimum economic use and where asset renewals occur before they are required in order to manage rate increases smoothly but also results in asset write-offs. As a standalone option it is not recommended but in reality the City may still need to smooth out some peak renewal expenditure.

Option 3 - Borrowings to fund higher renewals

There is a limit on the capacity to borrow and borrowings should not normally be used to fund day to day renewal expenditure.

Option 4 – Establish an Asset Renewal Reserve

There is an opportunity for the City to act now, at a time when renewal expenditure is low and to plan for the long-term by setting aside funds early. This is the recommended option.

Current Funding of CWP versus ARR

The key distinction between the proposed ARR and the current method of funding CWP is the separation between renewal expenditure and new/upgrade expenditure. At present the City funds most of its share of the CWP from municipal funds (excluding grants, contributions and disposal proceeds) and some reserve funds for specific projects. The ARR mechanism would require all renewal expenditure to be funded from the ARR, including vehicle, plant and equipment replacement, and the new/upgrade parts of the CWP are only funded after the ARR is funded.

How the ARR Would Work (Attachment 1 refers)

The ARR model needs to assess renewal requirements over a timeframe that is long enough to include the renewal of large peaks/troughs, particularly those assets such as drainage with a very long life. A model has therefore been developed which forecasts the transfers in/out of the reserve over a 70 year period and is summarised in Attachment 1 to Report CJ065-05/19.

It is proposed to update the model twice a year to inform the budget setting process, there are five steps to the update of the ARR projections:

- Step 1 Renewal requirements are assessed based on the City's Assets Inventory and expected useful lives. Remaining useful lives of individual assets are determined by periodic technical and condition assessments, while expected useful lives for each asset group/type are established by asset management plans or as part of revaluations (valuations will be about five years apart). Fleet requirements are determined using the "Economic Life Model" which takes account of all whole-of-life costs for the assets (initial acquisition, maintenance, repair, fuel, disposal, kilometres used per year).
- Step 2 City Funding of renewals calculated. This is the difference between Step 1 and the external proceeds received (grant funding and proceeds of vehicles being replaced).
- Step 3 ARR Movements.
 - The first line of Step 3 in Attachment 1 to Report CJ065-05/19 is the opening balance of the ARR, which would initially derive from the closing balance of the Vehicles, Plant and Equipment Reserve at June 2019.
 - Transfer in from Operating Cashflows is then shown. This is initially estimated at \$12 million per year, and the transfers are then increased every five years.
 - Transfer out to Fund Renewals is shown, this matches the values from Step 2.
 - Interest on Reserve is then calculated on the balance of the reserve for the year.
 - Balance at the end of year is based on the opening balance plus net transfers plus interest.

The closing balance shows gradual increases over the next 10 years to \$16.5 million and then steeper changes to over \$60 million by 2071-72. In the later years of the forecast the balance steadily declines because the transfers out to fund renewals are higher than the transfers in. The key part of the ARR schedule is the calculation of the transfers in, these have been calculated so that the ARR closing balance can never be less than zero and that there is sufficient available to fund renewals.

- Step 4 Operating Cashflows – total operating cashflows for the City are prepared including the estimates required to fund the ARR each year.
- Step 5 Cash to Fund Loans, Upgrade/New Capex. This step illustrates that the remaining cashflows from the City, after the funding of the ARR, can be used to pay for new/upgrade expenditure. This is the final step in the process because the funding of the ARR should take priority.

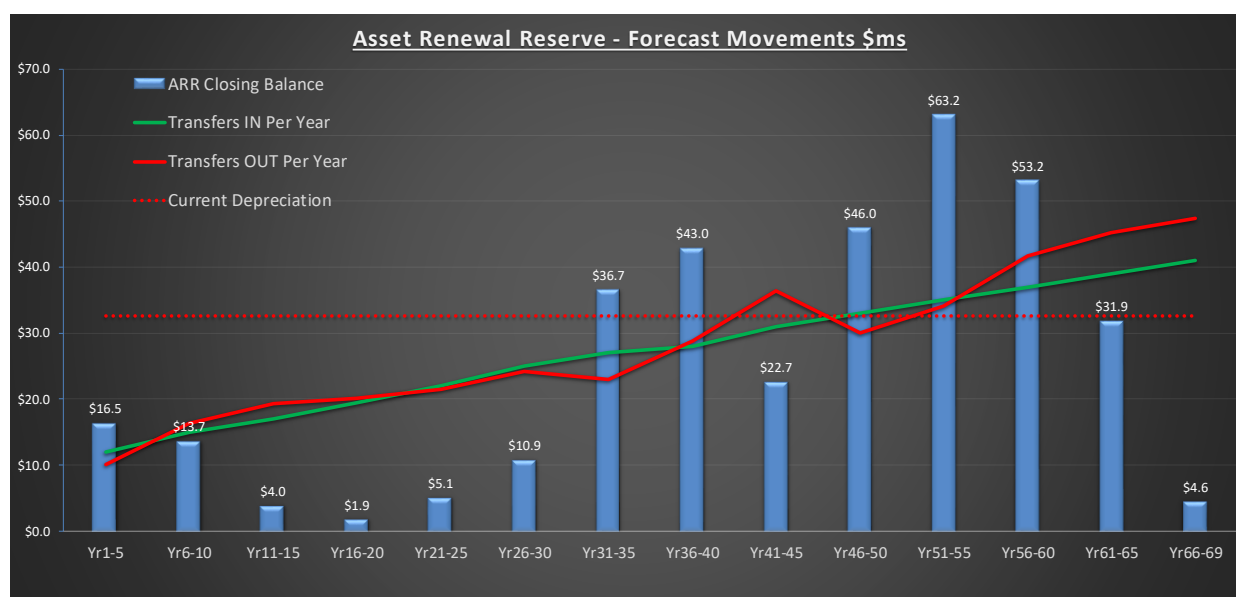
In summary the annual transfer from operating cash flows into the ARR will either be:

- (a) more than required for the following year's renewals (the surplus will then be retained in the ARR to fund later years)
- (b) same as required for the following years asset renewals
- (c) lower than required for following year's renewals (the shortfall required to fund renewals will be a transfer out of the ARR).

Forecast Movements of the ARR 2019-20 to 2088-89

Figure 4 below summarises the movements of the ARR within Attachment 1 to Report CJ065-05/19 as explained in Step 3 above. The graph is summarised into five year blocks but shows the annual transfers in/out for each five year period. In the first five years of the ARR a total of \$60 million is transferred into the ARR (average of \$12 million per year) and then \$50 million is transferred out (average of \$10 million per year). The difference of \$10 million over the five year period is a net transfer into the ARR to help fund future renewals. The closing balance at year five is estimated at \$16.5 million, which also includes interest and the opening balance from the Vehicles, Plant and Equipment Reserve.

Figure 4 – Forecast Movements In/Out of ARR 2019-20 to 2088-89



The graph shows the steady increases over the next 70 years and also illustrates the points where the transfer out to fund renewals is more than the transfer into the ARR.

Funding for the ARR

There are three sources of funding the ARR:

- Existing Vehicles, Plant and Equipment Reserve balance.
- The CWP had implemented reductions in the 2018 program compared to the previous program, by reducing Upgrade/New expenditure. A total of \$6.4 million was reduced over the 2019-20 to 2023-24 CWP. Within the SFP, this will currently be shown as a transfer into the SAMR, but can instead be considered as partial funding for the ARR.
- Surplus Operating Cashflows. As illustrated in Figure 1, there is no current need for the City to fully fund depreciation because the average age of infrastructure and therefore has sufficient operating surpluses to fund existing renewals and to support transfers into the ARR for later years.

It is not proposed that the funding for the ARR is funded by rates increases.

The fundamental issue to ensure affordability of the ARR is to achieve a balanced operating budget, and ideally an operating surplus. A balanced operating budget ensures that income is keeping pace with expenditure and effectively means that where renewal expenditure does not need to match depreciation (as is currently the case), there is flexibility to put aside funds to assist for those later years where renewal expenditure may be higher than depreciation.

Issues and options considered

Principles/Conditions of ARR

The table below lists the various principles that need to be followed by the City in using the ARR. There is a total of 10 principles required which may appear a lot, but this is necessary because the proposed reserve touches upon the overall financials for the City.

Ref	Principle	Details
1	Rates Increases	Rates should not be increased to fund the ARR. General ratepayer funds may be used to fund the reserve but has to be considered together with all other aspects of the rate setting process.
2	New Expenditure must be separately identified and excluded from the ARR Movements.	Capital Expenditure should always indicate whether the expenditure is renewal, upgrade, new or a combination thereof. New Capital Expenditure is not funded by the ARR.

Ref	Principle	Details
3	Upgrade Expenditure must be separately identified and excluded from the ARR Movements.	<p>“Upgrade” expenditure relates to the increasing or improving the service potential/usability of an existing asset. There can be several causes of this – firstly this can be caused by natural replacement and that the new form of renewal is considered as an enhancement to the previous use, for example paths are sometimes renewed at a wider width than the current width. Upgrade expenditure can also relate to a specific functional request to improve an asset to provide for an enhanced use.</p> <p>Upgrade expenditure is caused in the first instance by an asset that already exists, but it is NOT reasonable to assume that upgrades should be funded by the ARR because this would undermine the primary purpose of the ARR. The estimated transfers in and out of the ARR are based on estimated renewal expenditure only, not upgrades. If upgrade expenditure was funded partially or wholly from the ARR this could lead to funding gaps in future.</p> <p>Upgrade expenditure must therefore be recognised as lower priority than renewal expenditure.</p>
4	Renewal funding should take higher priority than New Expenditure.	Renewal funding should take priority over new expenditure because renewal relates to assets that already exist, that are already providing a service to the community and the community expects to be provided into the future. New and Upgrade expenditure should only be funded if there is sufficient cash available to fund it.
5	Asset Management Plans / Expected useful lives.	<p>Where available, Asset Management Plans should provide the basis of renewal plans. Asset Management Plans will include an assessment of expected useful lives, based on City data where available.</p> <p>Periodic information (for example condition or dilapidation reports) may be used to amend remaining useful lives of individual assets.</p>
6	Assets not replaced before end of useful life.	<p>Assets should be replaced in accordance with their useful life and not beforehand, unless the following:</p> <ul style="list-style-type: none"> • Safety – there are specific safety issues that require replacement earlier. • Functionality/community requirements – a need has arisen to change the functionality of the asset and replace earlier. <p>Where assets are proposed to be replaced early the write-off cost (depreciation expense not yet charged to accounts) must be estimated and reported as part of the replacement process.</p>

Ref	Principle	Details
7	ARR Forecast Movements.	<p>The City must maintain a schedule of forecast movements in/out of the ARR, as per Attachment 1 to Report CJ065-05/19. This will include the following:</p> <ul style="list-style-type: none"> • Renewal expenditure – forecast requirements based on AMPs and renewal of New/Upgrade capital expenditure. • Grant funding estimates. • Operating cashflows, based on prudent estimates and using the 20 Year SFP for the first 20 years. • Transfers from ARR to fund renewal expenditure. • Estimated balance on ARR (must be greater than zero). <p>The schedule must include the next 70 years as a minimum.</p>
8	Smoothing Avoided where possible.	<p>The smoothing of capital renewal should be avoided because it leads to sub-optimal economic use of assets. However, the need to smooth out capital expenditure cannot be ruled out completely, dependent on availability of income and/or peaks of expenditure. For example there could be insufficient capacity (for the City and/or its suppliers) to undertake renewal expenditure in one year if there was substantially more than normal and therefore smoothing may be one of several tools at the City's disposal to plan/manage renewal expenditure.</p> <p>One of the other benefits of smoothing is that it should only be necessary once and that future renewal programs have the benefit of a smoother replacement profile with less peaks.</p>
9	Borrowings for CWP avoided where possible.	<p>Ideally there should be sufficient surpluses from operating cashflows (especially if the City is within its target range for operating surplus ratio) to fund current or future renewal requirements. Ideally borrowings would not be used to fund the renewals, especially when the City's infrastructure is young, borrowings would only normally be considered for unique or new infrastructure.</p> <p>However, borrowings should not be completely ruled out for capital renewal expenditure in future years. Borrowings are one of a number of tools that are available to the City and could legitimately be required to fund parts of the CWP in future to assist with peaks.</p>

Ref	Principle	Details
10	Depreciation is not used as the basis of determining capital renewal expenditure.	<p>Depreciation is important, as it is a financial record of the consumption of assets by the community. However, annual depreciation expense does not by itself provide the basis of annual capital renewal expenditure, because the age and condition profile of assets and community requirements will determine renewal requirements. For example a newly constructed building may have a depreciation expense of \$200,000 each year but that does not mean that \$200,000 should be spent on renewal expenditure for that building in the early years of its life.</p> <p>In the long run though, it would be expected that average capital renewal expenditure may be similar (but not identical) to the average depreciation expense, but there would be peaks and troughs.</p> <p>Comparing capital renewal expenditure to depreciation expense is a useful measure (Asset Sustainability Ratio), but it is only a guide, not a prescription.</p>

SFP – Unspecified Capital Renewal \$168 million

The SFP has projected that from 2023-24 onwards there would be further operating cash surpluses which can assist with the City's renewal program. A total of \$168 million between 2023-24 to 2036-37 has been set aside into "unspecified capital renewal", this further supports the contention that the transfers into the ARR are affordable.

Useful Lives

The expected useful lives applied to assets are the single biggest factor affecting the capital renewal projections. The City's expected useful lives have been subject to review during the past few years as part of revaluations and are comparable with other local governments. There is further progress to be made in substantiating expected useful lives though by using the City's historical maintenance data to develop models which can evaluate the optimum economic replacement of key assets types.

Creation of Asset Renewal Reserve and change to Strategic Asset Management Reserve

In consideration of both the requirement for an Asset Renewal Reserve which currently has no funding and the review of the Vehicle, Plant and Equipment Reserve which has excess funding it is recommended that these issues be addressed by combining them and renaming the existing Vehicle, Plant and Equipment Reserve to the Asset Renewal Reserve. The purpose of the renamed reserve would then be extended to cover the renewal of existing City infrastructure, building assets and vehicle, plant and equipment to ensure that the City can continue to utilise these at service levels expected.

This change will also necessitate a change to the City's existing SAMR.

The City's existing SAMR was initially set up to include assisting with asset renewals, but over the years it has traditionally been used to fund new projects, mostly new buildings. The SAMR is also being used to fund parts of the current Five Year CWP, most notably for the City Centre Street Lighting project.

With the proposal to establish an ARR, asset renewals should be removed from the purpose of the SAMR. It may still be used to fund new expenditure, but not renewal projects. It is proposed to rename the reserve the "Strategic Asset Reserve" and amend the definition to read as follows:

"The Strategic Asset Reserve is used for the purposes of new or upgrade capital expenditure on major projects. The reserve is not to be used for asset renewal expenditure".

It is proposed that the definition of the new ARR is as follows:

"To fund renewal of existing City infrastructure, building assets and vehicle, plant and equipment to ensure that the City can continue to utilise these at service levels expected. The Asset Renewal Reserve will not be used to fund upgrades of existing assets or acquisition or construction of new assets".

To implement these changes, it is proposed that they form part of the draft 2019-20 Budget.

Legislation / Strategic Community Plan / policy implications

Legislation

Section 5.56 (1) of the *Local Government Act 1995* provides that:

"A local government is to plan for the future of the district."

Section 6.11 (1) of the *Local Government Act 1995* provides that:

"Subject to subsection (5), where a local government wishes to set aside money for use for a purpose in a future financial year, it is to establish and maintain a reserve account for each such purpose."

Regulation 17 of the *Local Government (Financial Management) Regulations* provides that:

"A reserve account is to have a title that clearly identifies the purpose for which the money in the account is set aside."

Strategic Community Plan

Key theme

Financial Sustainability.

Objective

Effective management.

Strategic initiative

- Manage liabilities and assets through a planned, long-term approach.
- Balance service levels for assets against long-term funding capacity.

Policy

Not applicable.

Risk management considerations

There are several risks and opportunities for the City changing the current Vehicle, Plant and Equipment Reserve into an Asset Renewal Reserve, as listed below:

- Expected useful lives of assets are different to estimate. This risk will be mitigated by updating the ARR schedule twice a year.
- Replacement Costs lower or higher than currently projected. The ARR projections in Attachment 1 to Report CJ065-05/19 are based on the City's Asset Inventory and expected useful lives and the projections assume full replacement cost of the asset at the end of their expected useful lives. It is likely that the actual renewal cost will be different. This risk will also be mitigated by regular update of the ARR schedule.
- Growth for Major Projects. An indicative estimate of future renewal caused by major projects has been included in the schedule.
- Rates Increases. There is a risk that the City applies a lower percentage increase than is assumed in the SFP and the ARR projections. If Council applied a lower increase this may result in less funding available for capital expenditure. This can be addressed in several ways:
 - Reduce the funding for the ARR. This is likely to result in the need for higher increases in later years.
 - Reduce new/upgrade capital expenditure but continue to fund the ARR in full.

The ARR will require regular updates and detailed review to ensure that the risks/opportunities mentioned above are continually evaluated.

There are also risks on how the reserve is used. Primarily the reserve must not be used to fund new or upgrade expenditure. The principles outlined earlier, and the five-step process will be a crucial tool for the City to use to ensure that the ARR is used in accordance with the original intentions and to support long-term financial sustainability.

Financial / budget implications

SFP Guiding Principles

The establishment of an ARR is consistent with the Guiding Principles of the SFP as adopted by Council at its meeting held on 21 August 2018 (CJ152-08/18 refers), because renewals are identified as being of higher priority. The ARR process will ensure that the City is considering the long-term and avoiding unsustainable rates increases in future years or indeed at present. The ARR requirements will be factored into the draft 2019 SFP.

20 Year Strategic Financial Plan 2019

The SFP is updated on an annual basis, tied into the annual budget cycle. The changes proposed in this report can be factored into the next update of the SFP to be considered by Council in 2019.

Regional significance

Not applicable.

Sustainability implications

The proposal for changing the existing Vehicle, Plant and Equipment Reserve to an Asset Renewal Reserve will contribute to the City meeting its goals and objectives for financial sustainability.

Consultation

Informal feedback has been received from leading members of the Institute Public Works Engineering Australia (IPWEA) who lead on key topics of *Local Government Financial Sustainability* – the feedback has been incorporated into the proposals where necessary.

The City of Wanneroo have an ARR, as they have similar (and potentially more extreme) issues than the City of Joondalup with very low renewals today with a lot of their new suburbs but a much higher renewal requirement in later years.

COMMENT

How Does the Asset Renewal Reserve align with the City's key requirement to address the Operating Deficit?

The introduction of an ARR may initially appear to be at odds with the City's primary financial issue, the need to address the operating deficit as it may suggest that additional cash is required. However, the introduction of an ARR is mutually beneficial to addressing the operating deficit because of the following:

- Clear separation between renewal and upgrade/new expenditure.
- Limiting the amount of new expenditure within the CWP (excluding major projects) which therefore reduces the impact of new depreciation and new operating expenses.
- When the City addresses the operating deficit (either by increased income, reduced expenditure or a combination thereof), this will provide more opportunity for funding of the ARR.

ARR is Not Intended to Simply Accumulate Cash

The ARR is not intended to accumulate unnecessary cash surpluses. The financial health of a local government is often viewed in terms of its cash surpluses and outstanding loans. A local government with high cash surpluses and no borrowings is often viewed as being very healthy in financial terms. This is often misleading because excess cash can often mean that income has been raised unnecessarily and the community is paying more in rates than is required.

A local government's ideal financial position is where there is a healthy operating surplus (but not excessive) and there is a sound long-term financial plan to meet future operating expenditure and renewal requirements, which may or may not involve cash reserves and/or borrowings. In summary if renewal expenditure was the same every year there would be no requirement for an ARR but the City of Joondalup has a young infrastructure asset age profile which will result in large peaks in the future and the need for an ARR.

Intergenerational equity

The proposal for an ARR is broadly consistent with intergenerational equity. Intergenerational equity is a key concept in organisations such as local government with long-life assets. The term relates to the fairness that each generation of ratepayers should be paying sufficiently for assets that they are using/consuming, rather than underpaying which results in later generations having to pay a lot more by comparison.

Indeed if the City considers the potential that some new or upgrade projects in the CWP may need to be removed or delayed so as to afford the transfer into the ARR, this is consistent with intergenerational equity. Today's ratepayers should be paying sufficient sums for renewal expenditure in comparison to what they are consuming, and this is a higher priority than having more upgrade or new expenditure (which creates an even bigger burden for future generations).

VOTING REQUIREMENTS

Simple Majority.

COMMITTEE RECOMMENDATION

The committee recommendation to Council for this report (as detailed below) was resolved by the Major Projects and Finance Committee at its meeting held on 6 May 2019.

The original recommendation as presented by City officers to the committee is as follows:

That Council:

- 1 *NOTES the definition of capital expenditure as follows:*

“Renewal” - capital expenditure on existing assets/infrastructure. The renewal expenditure ensures that the asset can continue to be used as it has been previously used such as a 1.8 metre path is replaced with a 1.8 metre path.

“New” - Capital expenditure on a completely new asset, that did not exist in any form beforehand.

“Upgrade” - Changing the use of an existing asset to improve or extend service potential/economic benefit. For example, the replacement of an existing 1.8 metre path with a 2.3 metre path. In this example the expenditure on the 1.8 metres would be classed as renewal and the additional 0.5 metres classed as upgrade.”;

- 2 *LISTS for consideration in the draft 2019-20 Budget the establishment of an Asset Renewal Reserve by renaming and redefining the purpose of the existing Vehicle, Plant and Equipment Reserve, for the purpose as follows:*

“To fund renewal of existing City infrastructure, building assets and vehicle, plant and equipment to ensure that the City can continue to utilise these at service levels expected. The Asset Renewal Reserve will not be used to fund upgrades of existing assets or acquisition or construction of new assets”;

- 3 *Subject to the establishment of an Asset Renewal Reserve as part of the draft 2019-20 Budget ENDORSES the Asset Renewal Reserve being based on the following:*

- 3.1 *Annual Renewal expenditure from 2019-20 onwards to be funded in its entirety from the Asset Renewal Reserve;*

- 3.2 *Annual transfer from operating cash surplus to the Asset Renewal Reserve to be determined using a forecast of future renewal requirements and update of the Asset Renewal Reserve Schedule. The transfer will be included within the budget process. The transfer from operating cash flows into the reserve will either be:*

- 3.2.1 *more than required for the following year's renewals (the surplus will then be retained in the Asset Renewal Reserve to fund later years);*
- 3.2.2 *same as required for the following years asset renewals;*
- 3.2.3 *lower than required for following year's renewals (the shortfall required to fund renewals will be a transfer out of the Asset Renewal Reserve);*
- 3.3 *Funding of the Asset Renewal Reserve to be higher priority than the funding of Upgrade or New Expenditure. Upgrade and New Expenditure is not funded by the Asset Renewal Reserve;*
- 3.4 *Asset Renewal Reserve to be managed by the City in accordance with the process and principles within this Report;*
- 4 *LISTS for consideration in the draft 2019-20 Budget the renaming of the Strategic Asset Management Reserve to the Strategic Asset Reserve and the change in purpose to the following:*

"The Strategic Asset Reserve is used for the purposes of new or upgrade capital expenditure on major projects or those projects as determined by Council. The Reserve is not to be used for asset renewal expenditure."

The committee's subsequent recommendation to Council is as follows (changes identified):

That Council:

- 1 *NOTES the definition of capital expenditure as follows:*

"Renewal" - capital expenditure on existing assets/infrastructure. The renewal expenditure ensures that the asset can continue to be used as it has been previously used such as a 1.8 metre path is replaced with a 1.8 metre path.

"New" - Capital expenditure on a completely new asset, that did not exist in any form beforehand.

"Upgrade" - Changing the use of an existing asset to improve or extend service potential/economic benefit. For example, the replacement of an existing 1.8 metre path with a 2.3 metre path. In this example the expenditure on the 1.8 metres would be classed as renewal and the additional 0.5 metres classed as upgrade."
- 2 *LISTS for consideration in the draft 2019-20 Budget the establishment of an Asset Renewal Reserve by renaming and redefining the purpose of the existing Vehicle, Plant and Equipment Reserve, for the purpose as follows:*

"To fund renewal of existing City infrastructure, building assets and vehicle, plant and equipment to ensure that the City can continue to utilise these at service levels expected. The Asset Renewal Reserve will not be used to fund upgrades of existing assets or acquisition or construction of new assets";
- 3 *Subject to the establishment of an Asset Renewal Reserve as part of the draft 2019-20 Budget ENDORSES the Asset Renewal Reserve being based on the following:*

- 3.1 *Annual Renewal expenditure from 2019-20 onwards to be funded in its entirety from the Asset Renewal Reserve;*
 - 3.2 *Annual transfer from operating cash surplus to the Asset Renewal Reserve to be determined using a forecast of future renewal requirements and update of the Asset Renewal Reserve Schedule. The transfer will be included within the budget process. The transfer from operating cash flows into the reserve will either be:*
 - 3.2.1 *more than required for the following year's renewals (the surplus will then be retained in the Asset Renewal Reserve to fund later years);*
 - 3.2.2 *same as required for the following years asset renewals;*
 - 3.2.3 *lower than required for following year's renewals (the shortfall required to fund renewals will be a transfer out of the Asset Renewal Reserve);*
 - 3.3 *~~Funding of the Asset Renewal Reserve to be higher priority than the funding of Upgrade or New Expenditure.~~ Upgrade and New Expenditure is not funded by the Asset Renewal Reserve;*
 - 3.4 *Asset Renewal Reserve to be managed by the City in accordance with the process and principles within this Report;*
- 4 *LISTS for consideration in the draft 2019-20 Budget the renaming of the Strategic Asset Management Reserve to the Strategic Asset Reserve and the change in purpose to the following:*
- "The Strategic Asset Reserve is used for the purposes of new or upgrade capital expenditure on major projects or those projects as determined by Council. The Reserve is not to be used for asset renewal expenditure."*

MOVED Mayor Jacob, SECONDED Cr Jones that Council:

- 1 **NOTES the definition of capital expenditure as follows:**

"Renewal" - capital expenditure on existing assets/infrastructure. The renewal expenditure ensures that the asset can continue to be used as it has been previously used such as a 1.8 metre path is replaced with a 1.8 metre path.

"New" - Capital expenditure on a completely new asset, that did not exist in any form beforehand.

"Upgrade" - Changing the use of an existing asset to improve or extend service potential/economic benefit. For example, the replacement of an existing 1.8 metre path with a 2.3 metre path. In this example the expenditure on the 1.8 metres would be classed as renewal and the additional 0.5 metres classed as upgrade."

- 2 **LISTS for consideration in the draft 2019-20 Budget the establishment of an Asset Renewal Reserve by renaming and redefining the purpose of the existing Vehicle, Plant and Equipment Reserve, for the purpose as follows:**

“To fund renewal of existing City infrastructure, building assets and vehicle, plant and equipment to ensure that the City can continue to utilise these at service levels expected. The Asset Renewal Reserve will not be used to fund upgrades of existing assets or acquisition or construction of new assets”;

- 3 Subject to the establishment of an Asset Renewal Reserve as part of the draft 2019-20 Budget ENDORSES the Asset Renewal Reserve being based on the following:**

3.1 Annual Renewal expenditure from 2019-20 onwards to be funded in its entirety from the Asset Renewal Reserve;

3.2 Annual transfer from operating cash surplus to the Asset Renewal Reserve to be determined using a forecast of future renewal requirements and update of the Asset Renewal Reserve Schedule. The transfer will be included within the budget process. The transfer from operating cash flows into the reserve will either be:

3.2.1 more than required for the following year’s renewals (the surplus will then be retained in the Asset Renewal Reserve to fund later years);

3.2.2 same as required for the following years asset renewals;

3.2.3 lower than required for following year’s renewals (the shortfall required to fund renewals will be a transfer out of the Asset Renewal Reserve);

3.3 Upgrade and New Expenditure is not funded by the Asset Renewal Reserve;

3.4 Asset Renewal Reserve to be managed by the City in accordance with the process and principles within Report CJ065-05/19;

- 4 LISTS for consideration in the draft 2019-20 Budget the renaming of the Strategic Asset Management Reserve to the Strategic Asset Reserve and the change in purpose to the following:**

“The Strategic Asset Reserve is used for the purposes of new or upgrade capital expenditure on major projects or those projects as determined by Council. The Reserve is not to be used for asset renewal expenditure.”.

The Motion was Put and CARRIED (12/0) by Exception Resolution after consideration of CJ069-05/19, page 219 refers.

In favour of the Motion: Mayor Jacob, Crs Chester, Dwyer, Fishwick, Hollywood, Jones, Logan, McLean, May, Norman, Poliwka and Taylor.

Appendix 16 refers

To access this attachment on electronic document, click here: [Attach16brf190514.pdf](#)

CJ066-05/19 JOONDALUP PERFORMING ARTS AND CULTURAL FACILITY – PROJECT REVIEW STATUS

WARD	All
RESPONSIBLE DIRECTOR	Mr Garry Hunt Office of the CEO
FILE NUMBER	75577, 101515
ATTACHMENT	Attachment 1 Joondalup Performing Arts and Cultural Facility - Refined concept design drawings and images Attachment 2 Jinan Garden – Concept image and location plans Attachment 3 Joondalup Performing Arts and Cultural Facility – Project History
AUTHORITY / DISCRETION	Executive - The substantial direction setting and oversight role of Council, such as adopting plans and reports, accepting tenders, directing operations, setting and amending budgets.

PURPOSE

For Council to consider:

- details of the project review process undertaken for the Joondalup Performing Arts and Cultural Facility (JPACF) project
- estimated capital and operating costs and adopting a new concept design for the JPACF project
- JPACF project objectives review outcomes
- supporting the separation of the Jinan Garden from the JPACF project and progressing the Jinan Garden as a stand-alone project.

EXECUTIVE SUMMARY

The City has reviewed the JPACF project since Council's 2017 decision not to proceed with the design development stage of a \$100 million facility (CJ101-06/17 refers) so that the City could explore a new vision for the project. The review process has explored alternative options for the concept design, facility operations, project funding and project objectives.

At its meeting held on 12 November 2018 the Major Projects and Finance Committee noted a condensed concept design that would form the basis for further design refinement and cost analysis. The new concept was costed by quantity surveyor consultants at approximately \$59 million which is a significantly less expensive facility than the previous \$100 million facility. The design provides fewer spaces than the previous design however, provides spaces with a high degree of flexibility, capable of housing 'multi-use' activities. The new concept is also estimated to have much lower operating costs, however it maintains a design standard appropriate for a world class, state of the art facility. The new concept design is shown in Attachment 1 to Report CJ066-05/19.

The project Philosophy and Parameters were initially adopted for the project in 2010 and have guided the project since then. The purpose of the project Philosophy and Parameters is to articulate, for historical purposes, the intent of Council progressing the project and address the objectives of the project and why it is proposed. A recent review of the Philosophy and Parameters has shown that they remain relevant and still serve to guide the City on the development of the JPACF. Additional operating and financial objectives will be developed during progression of the project and preparation of a business case.

As part of the review of the JPACF project the City has considered the relevancy of retaining the Jinan Garden as a part of the JPACF project. At its meeting held on 14 December 2010 (CJ217-12/10 refers), Council agreed to incorporate the Jinan Garden in the design of the Joondalup Performing Arts and Cultural Facility. However, given the City's decision not to proceed with the development of the JPACF at this point in time, and with regard to the City's commitment to the Joondalup-Jinan sister city partnership, it is considered appropriate to progress the Jinan Garden as a project in its own right, separate from the JPACF project.

It is therefore recommended that Council:

- 1 *NOTES the refined concept design and associated capital and operating cost estimates as detailed in this Report and shown in Attachment 1 to Report CJ066-05/19 and ADOPTS this concept design for further progression of the Joondalup Performing Arts and Cultural Facility project, including:*
 - 1.1 *further refinement of capital and operating costs;*
 - 1.2 *funding opportunity investigations and grant applications;*
 - 1.3 *further refinement of the concept design;*
 - 1.4 *preparation of a business case;*
- 2 *BY AN ABSOLUTE MAJORITY REVOKES part 3 of its decision of 14 December 2010 (CJ217-12/10 refers) as follows:*
 - "3 *AGREES to incorporate the Jinan Garden in the design of the City's Performing Arts and Cultural Facility.*";
- 3 *SUPPORTS the development of the Jinan Garden, as a significant stand-alone piece of cultural infrastructure, separate from the Joondalup Performing arts and Cultural Facility;*
- 4 *LISTS FOR CONSIDERATION in the City's Five Year Capital Works Program \$260,000 in 2019-20 and \$1.89 million in 2020-21, for the planning and development of the Jinan Garden and REDUCES the capital expenditure within the 20 Year Strategic Financial Plan for the Joondalup Performing Arts and Cultural Facility by \$2.15 million;*
- 5 *SUPPORTS the proposed location for the Jinan Garden as detailed in Attachment 2 to Report CJ066-05/19, subject to further site investigations and approvals as required;*
- 6 *NOTES the Chief Executive Officer will present further status reports on the Jinan Garden and Joondalup Performing Arts and Cultural Facility projects to the Major Projects and Finance Committee at a later date.*

BACKGROUND

At its meeting held on 12 November 2018 the Major Projects and Finance Committee considered a report detailing a review of the JPACF project (Item 9 refers). The report included details of alternative concept designs. Upon consideration of the report it was resolved that the Major Projects and Finance Committee:

- "1 NOTES the review process undertaken to date for the Joondalup Performing Arts and Cultural Facility project;*
- 2 NOTES the concept design options and associated capital costs as detailed in this Report;*
- 3 NOTES the preliminary condensed concept design described as 'Option 2' in this Report (Attachment 1 refers) will form the basis for further design refinement and cost analysis;*
- 4 NOTES that the Chief Executive Officer will continue to investigate funding opportunities for the project;*
- 5 NOTES the Chief Executive Officer will review the Project Philosophy and Parameters and present a further report to the Major Projects and Finance Committee at a later date".*

Additional details of the history of the JPACF project is contained in Attachment 3 to Report CJ066-05/19.

DETAILS

The City has reviewed the JPACF project since Council's 2017 decision not to proceed with the design development stage of the \$100 million facility (CJ101-06/17 refers) in order to explore a new vision for the project. The review process has explored alternative options for the concept design, facility operations, project funding and project objectives as detailed below.

Concept Design

At its meeting held on 12 November 2018 the Major Projects and Finance Committee noted a condensed concept design that would form the basis for further design refinement and cost analysis. The new design provides a less expensive facility with lower operating costs while still maintaining a design standard appropriate for a world class, state of the art facility and still responding to the endorsed Philosophy and Parameters for the JPACF project. The design provides fewer spaces than the previous design however, provides spaces with a high degree of flexibility, capable of housing 'multi-use' activities. This will provide the ability to achieve higher utilisation rates and a reduction of the costs associated with constructing and operating a building with a multitude of dedicated spaces.

The key features of the new concept design include the following:

- Primary theatre – 800 seats.
- Secondary 'Black Box' theatre – 200 seats.
- Café/restaurant and kitchen.
- Flexible foyer including gallery spaces.
- Box office.

- Bar.
- Front and back of house facilities and amenities.

The condensed concept results in the removal or reduction of several features of the original \$100 million design, including the following:

- Rehearsal rooms removed (rehearsals to take place in Primary or Black Box theatres).
- Community studios removed.
- Conference rooms removed.
- Multistorey car park removed (replaced with external car park).
- Outdoor plaza / performance space removed (existing Central Park car park to remain).
- Dedicated Gallery removed (gallery spaces now in foyer).
- Jinan Garden removed.
- Primary theatre reduced from 850 to 800 seats.

The concept also results in reduced back of house/front of house areas, administration areas and circulation spaces on the upper levels.

At this early concept design stage, the design and layout of the facility represents initial conceptual massing diagrams therefore, there are many aspects of the design that require much further detailed analysis of function, spatial relationships, and facility operations. These matters will continue to be refined as the project progresses.

The proposed concept was costed by quantity surveyor consultants at approximate \$59 million. It should be expected that this estimate will vary as the project progresses and as the design is refined. It is noted that a project cost of \$80 million is assumed in the City's *20 Year Strategic Plan 2018 (2017-18 to 2036-37)*. The indicative layout drawings and artist impressions of the proposed facility are shown in Attachment 1 to Report CJ066-05/19.

Operating Costs

The operating costs of the JPACF have been reviewed by the City with assistance from a Quantity Surveyor and based on expertise and assumptions previously adopted for the project. The review helped to improve the City's understanding of the capital and operational costs of each functional area of the building and resulted in a reduction of areas that generate no, or limited income.

Together with a reduction in staff numbers and other operating costs associated with a smaller facility, it is estimated the new concept design delivers a facility requiring a significantly lower annual operating subsidy of approximately \$390,000 when compared to the previous \$100 million facility, which required a subsidy of approximately \$860,000. A summary of the operating subsidy for the various components of the proposed facility, compared to the previous \$100 million facility, are shown in the table below:

Operating Subsidy 2028-29 - excluding escalation	Base	Option2	Difference
	2017 Business Case \$000s	Reduced Build \$000s	
01) Primary Theatre	(139)	17	156
02) Black Box Theatre	16	48	32
03) Gallery	(67)	42	108
04) Rehearsal Rooms	34	0	(34)
05) Comm'y Studios / Conf Rooms	3	0	(3)
06) Comm'y / Conf Foyer / Amenities / Store	24	0	(24)
07) Car Park	116	(7)	(124)
08) Café / Bar	86	71	(15)
09) Box Office / WC / FOH	13	15	2
10) Foyer	(120)	(83)	37
11) BOH / Loading / Admin	(290)	(151)	139
12) Plant	(87)	(33)	54
13) Unallocated	(452)	(312)	140
Total for each option	(863)	(394)	469

Project objectives

The project Philosophy and Parameters were initially adopted for the project in 2010 (CJ103-06/10 refers) and have guided the project since then. The purpose of the project Philosophy and Parameters is to articulate, for historical purposes, the intent of Council progressing the project and address the objectives of the project and why it is proposed. Given Council's intent to adopt a new vision for the project and having regard to the proposed new concept design, a review of the Philosophy and Parameters was undertaken by the City to explore the potential for a new project vision and objectives.

The review identified that the project Philosophy and Parameters as adopted by Council in 2010 remain relevant and appropriate and still serve to guide the City on the development of what will be a world-class, state-of-the-art facility to service Perth's northern corridor. Additional operating and financial objectives will be developed during progression of the project and preparation of a reviewed and adapted business case.

Jinan Garden

Beginning in 2000, the City of Joondalup engaged in an ongoing Sister City relationship with Jinan Municipal People's Parliament of China. The Joondalup-Jinan Sister City partnership was established to promote friendship, peace and cross-cultural awareness between the two cities, and to encourage and facilitate economic, socio-cultural and environmental exchanges.

One of the key achievements resulting from the relationship is the plan to construct Sister City gardens. In 2009 the City of Joondalup engaged Plan-E Landscaping Consultants to develop a concept for a Sister City 'Joondalup Garden' to be established in Jinan, as part of the 7th China International Garden and Flower Expo. The garden was completed and opened in late September 2009.

At its meeting held on 14 December 2010 (CJ217-12/10 refers), Council agreed to incorporate the Jinan Garden in the design of the Joondalup Performing Arts and Cultural Facility. In 2012 the City engaged Plan-E to assist the City with a proposal for a reciprocal 'Jinan Garden' to be established in Joondalup. Based on a design gifted by the Jinan Municipal People's Parliament, the proposal is for the creation of a traditional Chinese walled garden. The garden design takes inspiration from the Baotou Springs Park in Jinan and incorporates a wide variety of traditional Chinese garden elements including a pavilion overlooking a formal pond to a waterfall and miniature mountain-scape beyond. The scheme is enhanced by a botanically rich Chinese planting scheme and includes a gathering area for up to 70 people.

Work on the project to date includes interpretation of the Chinese design drawings, design development, a planting schedule, a procurement plan and location investigations. The current proposed location for the garden is in the area in between the North Metropolitan TAFE building and the Central Park Lake, east of the Central Park car park (Attachment 2 refers).

Given the City's decision not to proceed with the development of the JPACF at this time, and to reflect the City's commitment to the Joondalup-Jinan Sister City partnership, it is considered appropriate to progress the Jinan Garden as a project in its own right, separate from the JPACF project. This would allow the Jinan Garden project to be developed sooner than the JPACF facility, which currently has a completion date of 2027-28.

Next steps to progress the project would include instigating new project management documentation, further capital and operational cost analysis, design development, location and site investigations, funding opportunity investigations, community engagement, detailed design and construction. The City will also investigate project partnership opportunities between the City and the North Metropolitan TAFE. The project could potentially be phased over two years commencing in 2019-20.

The project cost to develop the garden has been estimated by a consultant Quantity Surveyor at \$2.15 million (today's dollars). Costs for the Jinan Garden project are currently included in the JPACF project assumptions in the *20 Year Strategic Plan 2018 (2017-18 to 2036-37)*, which assumes a total project capital cost of \$80 million (including Jinan), with a maximum contribution from City reserves of \$30 million. To facilitate expediting the Jinan Garden project Council could consider bringing forward \$2.15 million into the 2019-20 and 2020-21 budgets.

Issues and options considered

Not applicable.

Legislation / Strategic Community Plan / policy implications

Legislation *Local Government Act 1995.*

Strategic Community Plan

Key theme Community Wellbeing.

Objective Cultural development.

Strategic initiative Establish a significant cultural facility with the capacity to attract world-class visual and performing arts events.

Policy Not applicable.

Risk management considerations

The risk considerations for the development of the JPACF and Jinan Garden projects will be investigated as the projects progress. Current potential risk factors include the following:

- Protracted time to progress the design review process.
- Council unable to agree on or adopt the recommended refinements to the Project Philosophy and Parameters for the JPACF.
- Managing community/stakeholder expectations, those in favour of and those against the original JPACF proposal and any proposed alternative.
- Inability to secure external funding for the facility.

Financial / budget implications

Current financial year impact

Account no.	1-210-C1002.
Budget Item	Joondalup Performing Arts and Cultural Facility.
Budget amount	\$ 231,581
Amount spent to date	\$ 62,778
Proposed cost	\$ 0
Balance	\$ 168,803

Future financial year impact

Annual operating cost	Annual operating costs have been investigated as part of the project review process, as detailed in this report. These matters will continue to be refined as the project progresses.
Estimated annual income	Estimated annual income have been investigated as part of the project review process, as detailed in this report. These matters will continue to be refined as the project progresses.
Capital replacement	Capital replacement costs have been investigated as part of the project review process, as detailed in this report. These matters will continue to be refined as the project progresses.
20 Year Strategic Financial Plan impact	\$80 million is currently adopted in the City's <i>20 Year Strategic Financial Plan 2017-18 to 2036-37</i> . The plan is currently being updated and it is proposed that the capital expenditure for the JPACF will be reduced by \$2.15 million to \$77.85 million if Jinan Gardens is brought forward as a stand-alone project. It is intended that the draft <i>20 Year Strategic Financial Plan 2018-19 to 3037-38</i> will be presented to the Major Projects and Finance Committee in July 2019.
Impact year	Completion date 2027-28.

All amounts quoted in this report are exclusive of GST.

Regional significance

It is envisaged that the construction of the JPACF will enhance the City Centre as the major commercial, educational, recreational and arts and cultural centre for the northern corridor of the Perth metropolitan area.

Sustainability implications

Sustainability implications have previously been considered during the design phase of the current JPACF concept plan and were incorporated into the Business Case for the facility. The consideration of sustainability implications will continue as the project progresses.

Consultation

From the early stages of the project, commencing with a comprehensive youth, audience, venue and performing art organisations survey in 2001, the City has continued to consult widely on the JPACF project.

The following consultation has taken place on the project to date:

- In the initial scoping and planning phases of the project a comprehensive survey of various schools, community groups and professional cultural and performing arts performers and artists was undertaken by the City from 2010 - 2011.
- In the preparation of the 2012 Market Analysis and Feasibility Study, numerous performing arts managers, performing arts venue representatives, arts producers, local cultural organisations and existing, school, convention, sporting and learning facility representatives were consulted.
- During the architectural design competition for the concept design, ratepayers, residents and the broader community were given the opportunity to view the four conceptual design submissions and vote and comment on their preferred design. The City received over 450 votes and numerous comments.
- On an ongoing basis the City has consulted with performing arts facility managers, the Department of Culture and the Arts and the Perth Theatre Trust. The City has also liaised with experts in the performing arts, conferencing, events, exhibitions and education sectors.
- From 2011 to 2015 the JPACF project was overseen by the former JPACF Steering Committee which included Elected Members, external members from the Joondalup Learning Precinct, specialist performing arts and cultural experts and members from community arts groups.
- The City has briefed Government and Opposition representatives at both State and Federal level highlighting the local, regional, social and economic benefit of this proposed facility, with the intention of obtaining financial support.
- Throughout the various phases of the project, consultants specialising in facility operation and management, architecture and social, economic and financial analysis, have been engaged by the City.
- Community Consultation on the Business Case for the previous \$100 million project was undertaken over a 42 day period from 16 February 2017 to 30 March 2017. The results of Community Consultation process were detailed in a report considered by Council at its meeting held on 27 June 2017 (CJ101-06/17 refers).

Further community and stakeholder engagement will be undertaken at a later stage of the project in accordance with the City's *Community Consultation and Engagement Policy*.

COMMENT

The preliminary financial analysis of the \$59 million design option demonstrates a much more affordable capital and operating cost scenario than the original \$100 million facility. The concept presents a world-class, state-of-the-art facility and would have the capacity to attract international visual and performing arts events to the Joondalup City Centre.

The \$59 million design cost estimate excludes key features previously included in the JPACF project scope, such as the Jinan Garden, multi-storey car parking, dedicated community, conferencing and rehearsal facilities, and an external events space. However, the concept has been designed in a manner that allows for flexible use of the provided spaces to accommodate the primary elements required to deliver a quality civic amenity. It is recommended that this design be adopted as the new concept for the JPACF project for the purposes of progressing the project.

The City's *20 Year Strategic Plan 2018 (2017-18 to 2036-37)* assumes a total project capital cost of \$80 million, with a maximum contribution from City reserves of \$30 million. Assuming the City provided a capital contribution of \$30 million from reserves the project would require external (government and/or private) capital funding. Accordingly, the City will continue to investigate opportunities to secure external funding.

VOTING REQUIREMENTS

Absolute Majority.

COMMITTEE RECOMMENDATION

The committee recommendation to Council for this report (as detailed below) was resolved by the Major Projects and Finance Committee at its meeting held on 6 May 2019.

The committee recommendation is the same as recommended by City officers.

C32-05/19 CALL FOR ONE-THIRD SUPPORT TO REVOKE A PREVIOUS COUNCIL DECISION - [01122, 02154]

Mayor Jacob called for support from one-third of the members of Council prior to consideration of this Item. Support to revoke Council's resolution in relation to Item CJ065-05/19 was given by Cr Dwyer, Cr Fishwick, Cr Logan, Cr Norman and Cr Poliwka.

MOVED Mayor Jacob, SECONDED Cr Poliwka that Council:

- 1 NOTES the refined concept design and associated capital and operating cost estimates as detailed in this Report and shown in Attachment 1 to Report CJ066-05/19 and ADOPTS this concept design for further progression of the Joondalup Performing Arts and Cultural Facility project, including:**
 - 1.1 further refinement of capital and operating costs;**
 - 1.2 funding opportunity investigations and grant applications;**
 - 1.3 further refinement of the concept design;**
 - 1.4 preparation of a business case;**
- 2 BY AN ABSOLUTE MAJORITY REVOKES part 3 of its decision of 14 December 2010 (CJ217-12/10 refers) as follows:**
 - "3 AGREES to incorporate the Jinan Garden in the design of the City's Performing Arts and Cultural Facility.";**

- 3 **SUPPORTS** the development of the Jinan Garden, as a significant stand-alone piece of cultural infrastructure, separate from the Joondalup Performing Arts and Cultural Facility;
- 4 **LISTS FOR CONSIDERATION** in the City's *Five Year Capital Works Program* \$260,000 in 2019-20 and \$1.89 million in 2020-21, for the planning and development of the Jinan Garden and **REDUCES** the capital expenditure within the *20 Year Strategic Financial Plan* for the Joondalup Performing Arts and Cultural Facility by \$2.15 million;
- 5 **SUPPORTS** the proposed location for the Jinan Garden as detailed in Attachment 2 to Report CJ066-05/19, subject to further site investigations and approvals as required;
- 6 **NOTES** the Chief Executive Officer will present further status reports on the Jinan Garden and Joondalup Performing Arts and Cultural Facility projects to the Major Projects and Finance Committee at a later date.

The Motion was Put and

CARRIED (12/0)

In favour of the Motion: Mayor Jacob, Crs Chester, Dwyer, Fishwick, Hollywood, Jones, Logan, McLean, May, Norman, Poliwka and Taylor.

Appendix 17 refers

To access this attachment on electronic document, click here: [Attach17brf190514.pdf](#)

REPORTS – POLICY COMMITTEE – 7 MAY 2019

Disclosures of interest affecting impartiality

Name/Position	Cr Mike Norman.
Item No./Subject	CJ067-05/19 - Review of City's Investment Policy.
Nature of interest	Interest that may affect impartiality.
Extent of Interest	<ul style="list-style-type: none"> Cr Norman is a supporter of the Australian Conservation Foundation (ACF) and OXFAM, both of which support stronger action to mitigate climate change. Cr Norman holds shares in the Bank of Queensland, but below the threshold.

CJ067-05/19 REVIEW OF CITY'S INVESTMENT POLICY

WARD	All
RESPONSIBLE DIRECTOR	Mr Mike Tidy Corporate Services
FILE NUMBER	101272, 101515
ATTACHMENT	Attachment 1 Investment Policy
AUTHORITY / DISCRETION	Executive - The substantial direction setting and oversight role of Council, such as adopting plans and reports, accepting tenders, directing operations, setting and amending budgets.

PURPOSE

For Council to consider options for the management of the City's *Investment Policy* to support greater investment of surplus funds with financial institutions that do not support fossil fuel industries.

EXECUTIVE SUMMARY

At its meeting held on 16 October 2018 (C18-10/18 refers), Council resolved to request the Chief Executive Officer to prepare a report examining the options for the City to change its risk appetite and *Investment Policy* to place a greater percentage of invested funds in institutions that have all (or a great majority) of their portfolio in fossil fuel free investments, providing that in doing so the City can secure a rate of return that is at least equal to the alternative offered by other institutions.

The City's *Investment Policy* governs the investment of the City's surplus operational funds that may be available from time to time, as well as funds held in the City's reserve and trust accounts. The current policy was originally adopted by Council at its meeting held on 15 April 2008 (CJ052-04/08 refers) and has regularly been reviewed, most recently at the Council meeting held on 10 October 2017 (CJ170/10-17 refers).

Security of investments is the primary consideration when managing public funds, as outlined in the City's *Investment Policy*. Preservation of capital, liquidity, and return on investment are the overriding principles that underpin the City's approach to investments.

After consideration of the City's existing *Investment Policy* and its primary considerations and overriding principles, the risks associated with extending investment policy limits and counterpart limits that would be required to increase the investment in non-fossil fuel investing financial institutions it is therefore recommended that Council does not change its existing *Investment Policy*.

BACKGROUND

The *Investment Policy* governs the investment of the City's surplus operational funds that may be available from time to time, as well as funds held in the City's reserve and trust accounts. The current policy was developed and initially adopted by Council at its meeting held on 15 April 2008 (CJ052-04/08 refers). Council subsequently adopted two significantly revised policies at its meetings held on 24 September 2013 (CJ187/09-13 refers) and 15 March 2016 (CJ048-03/16 refers). The last review occurred at its meeting held on 10 October 2017 (CJ170/10-17 refers).

The current *Investment Policy* sets out:

- investment objectives
- delegated authority to invest
- types of authorised and prohibited investments
- prudential requirements for engagement of investment advisors
- policy guidelines for the management and diversification of risk
- financial reporting.

The Department of Local Government, Sport and Cultural Industries developed an *Investment Policy Local Government Operational Guideline* that was published in 2008. The primary features of this guideline are already incorporated in the current policy.

The Department of Local Government, Sport and Cultural Industries issued an amendment to the *Local Government (Financial Management) Regulations 1996* in May 2017. This amendment to regulation 19C now allows local governments to invest in deposits for fixed terms of up to three years, revised from the previous ceiling of 12 months. Other restrictions on investment avenues (such as non-government bonds) in the *Local Government (Financial Management) Regulations 1996* remain in place. These have already been reflected in the *Investment Policy* and no change is proposed.

The City currently has no defined position on fossil fuels that would inform the City's *Investment Policy*. In particular, natural gas, while a fossil fuel is also considered a form of energy cleaner than coal, as well forming a critical part of Western Australia's, and Australia's, economy. Actions that may be detrimental to the natural gas industry may not be in the best interests of the community.

DETAIL

A fossil fuel is defined as “A natural fuel such as coal or gas, formed in the geological past from the remains of living organisms.”¹ Fossil fuel usage for energy purposes is generally considered to be a significant source of carbon pollution, which is held to contribute towards climate change. Reducing the usage of fossil fuels is therefore held to be an important aspect of mitigating this impact. As part of this approach, reducing funding available for fossil fuel extraction and processing industries is considered to limit opportunities for further investment in fossil fuels such as coal, oil and natural gas and, therefore, to reduce the impact of carbon pollution.

Information on banks that do and do not invest in fossil fuel companies is published on the Market Forces website (<http://www.marketforces.org.au/>) and a summary of the City's current investment portfolio has been outlined in the table below in line with this information. It should be noted that the Market Forces data that the City has used for this report has not been independently verified.

Bank	Banks Funding Fossil Fuels (Y / N) (Per Market Forces)	Current Investment Policy Limit	Long-Term Credit Rating *	Short-Term Credit Rating
Bank of Queensland	Y	10%	A-	A-2
Bankwest	Y	25%	AA-	A-1+
Bendigo	N	10%	A-	A-2
Commonwealth Bank	Y	25%	AA-	A-1+
ING	Y	15%	A+	A+
NAB	Y	25%	A+	A-1+
Rural Bank	N	10%	A-	A-2
Suncorp	N	15%	A+	A-1
Westpac	Y	25%	AA-	A-1+
11AM WATC		25%	AA+	A-1+

*Based on Standard and Poors credit rating categories, except where this conflicts with Moody's and Fitch's ratings. In this case, the rating assigned by two out of the three rating agencies is used, represented by the Standard and Poors rating nomenclature (Appendix 1).

Comparison to Other Local Governments – Provisions for Fossil Fuel Divestment

Local Government	Provision in <i>Investment Policy</i> for Fossil Fuel Divestment
City of Joondalup	No provision.
City of Wanneroo	No provision.
City of Stirling	Preference is to be given to financial institutions that do not invest in or finance the fossil fuel industry where: <ul style="list-style-type: none"> the investment is compliant with the City's <i>Investment Policy</i> the investment rate of interest is favourable to the City relative to other similar investments that may be on offer to the City at the time of the investment.
City of Perth	No provision.

¹ Oxford Dictionary: *Definition of Fossil Fuel*.

Local Government	Provision in <i>Investment Policy</i> for Fossil Fuel Divestment
City of Melville	<p>When investing surplus City funds, a deliberative preference will be made in favour of authorised institutions that respect the environment by not investing in fossil fuel industries.</p> <p>This preference will however only be exercised after the foremost investment considerations of credit rating, comparable rate of return and risk diversification are fully satisfied.</p>
City of Swan	Subject to the policy objectives and risk management guidelines as outlined in this document, the City will ensure its financial investments consider the reduction of fossil fuels, by investing with non-fossil fuel lending banks.
City of Rockingham	No provision.
City of Fremantle	To this end the City of Fremantle will review and manage its investment portfolio to identify financial institutions which support either direct or indirect support of fossil fuel companies and will limit investments in the institutions to the minimum required which will allow compliance with parts four and five above. 'Deposits qualifying for the Federal Government Guarantee are to be considered Tier 1 in line with the Federal Government's credit rating and should not count towards a counterparty limit as outlined in this policy.'
City of Vincent	<p>When exercising the power of investment, preference is to be given to investments with institutions that have been assessed to have no current record of funding fossil fuels, providing that doing so will secure a rate of return that is at least equal to alternatives offered by other institutions.</p> <p>Where an investment is made with an institution that has been assessed to have a record of funding fossil fuels, due to providing a higher rate of return, the additional return generated will be invested back into carbon abatement initiatives within the City of Vincent.</p>
City of Armadale	When investing surplus Council funds, a deliberative preference will be made in favour of authorised Institutions that respect the environment by not investing in fossil fuel industries. This preference will however only be exercised after the foremost investment considerations of credit rating and risk diversification are fully satisfied.
Town of Bassendean	Preference will be given to invest in financial institutions who do not invest in or finance the fossil fuel industry.
Town of East Fremantle	<p>Prior to placing investments, preference will be given to competitive quotations from financial institutions that are deemed not to invest in or finance the fossil fuel industry where:</p> <ul style="list-style-type: none"> (a) the investment is compliant with Council's <i>Investment Policy</i> with regards to risk management guidelines (b) the investment rate of return is favourable to Council relative to other investment quotations that may be on offer within a competitive environment.
Town of Cambridge	No provision.

Local Government	Provision in <i>Investment Policy</i> for Fossil Fuel Divestment
City of Bayswater	The City will seek opportunities to invest in financial institutions which do not invest in or finance the fossil fuel industry, subject to all such investments meeting the risk ratings, favourable returns and diversification limits set out in the <i>Investment Policy</i> .
Town of Victoria Park	No provision.

For most local governments in the Perth metropolitan region the prevailing consideration for an investment is still the policy objectives and risk management criteria, notwithstanding provisions made for non-fossil fuel investment. The City of Fremantle has taken a different approach, with its *Investment Policy* stating that “Deposits qualifying for the Federal Government Guarantee are to be considered Tier 1 in line with the Federal Government’s credit rating and should not count towards a counterparty limit as outlined in this policy”, implying that counterparty limits have been relaxed as part of the *Investment Policy*.

Security of investments is the primary consideration when managing public funds, as outlined in the City’s *Investment Policy*. Preservation of capital, liquidity, and return on investment are the overriding principles that underpin the City’s approach to investments.

The Australian Government guarantees deposits up to \$250,000 in Authorised Deposit-taking Institutions (ADIs) such as a bank, building society or credit union. All term deposits across local government are required to be with ADIs by regulation 19C of the *Local Government (Financial Management) Regulations 1996*. The Commonwealth Government guarantee operates at an institution level, not at a deposit level. If a bank collapsed any funds that the City had invested with it over \$250,000 would be in jeopardy regardless of the individual values of each deposit. To mitigate this risk a portfolio credit framework and counterpart credit framework is applied within the City’s *Investment Policy*.

The City’s current limits as outlined in the existing *Investment Policy* are as follows:

Portfolio Limits				
Standard & Poor’s Rating		Long Term		
		AAA+ to AAA-	AA+ to AA-	A+ to A-
Short Term	A-1+	100%	100%	Not Applicable
	A-1	Not applicable	75%	50%
	A-2	Not applicable	Not applicable	40%

Counterparty Limits				
Standard & Poor’s Rating		Long Term		
		AAA+ to AAA-	AA+ to AA-	A+ to A-
Short Term	A-1+	30%	25%	Not Applicable
	A-1	Not applicable	20%	15%
	A-2	Not applicable	Not applicable	10%

During the 2017-18 financial year, the City placed Term Deposits (TD's) to a value of approximately \$201 million. The table below illustrates how these funds were placed with various financial institutions.

Bank	Average Return	Average # of Days	Total Invested	Number of TD's	Long Term Rating	Short Term Rating
Westpac	2.61%	230	\$38,190,000	24	AA+ to AA-	A-1+
Commonwealth	2.56%	265	\$20,990,000	16	AA+ to AA-	A-1+
NAB	2.52%	222	\$36,410,000	21	AA+ to AA-	A-1+
Bankwest	2.51%	203	\$35,045,000	24	AA+ to AA-	A-1+
Suncorp	2.70%	212	\$12,350,000	9	A+ to A-	A-1
ING	2.65%	346	\$14,385,000	10	A+ to A-	A-1
BOQ	2.61%	211	\$19,180,000	14	A+ to A-	A-2
Rural Bank	2.60%	294	\$13,800,000	9	A+ to A-	A-2
Bendigo	2.59%	285	\$10,800,000	9	A+ to A-	A-2
Total	2.58%	241	\$201,150,000	136		

At 31 January 2019, the City had \$147.1 million invested in various financial institutions. Applying the criteria supplied by Market Forces, approximately 34% of these funds are held with financial institutions that do not invest in fossil fuel industries. This was across three banks, Bendigo, Rural Bank and Suncorp. The investments in Rural Bank and Bendigo were at their maximum limits under the policy and Suncorp was just short of its maximum limit.

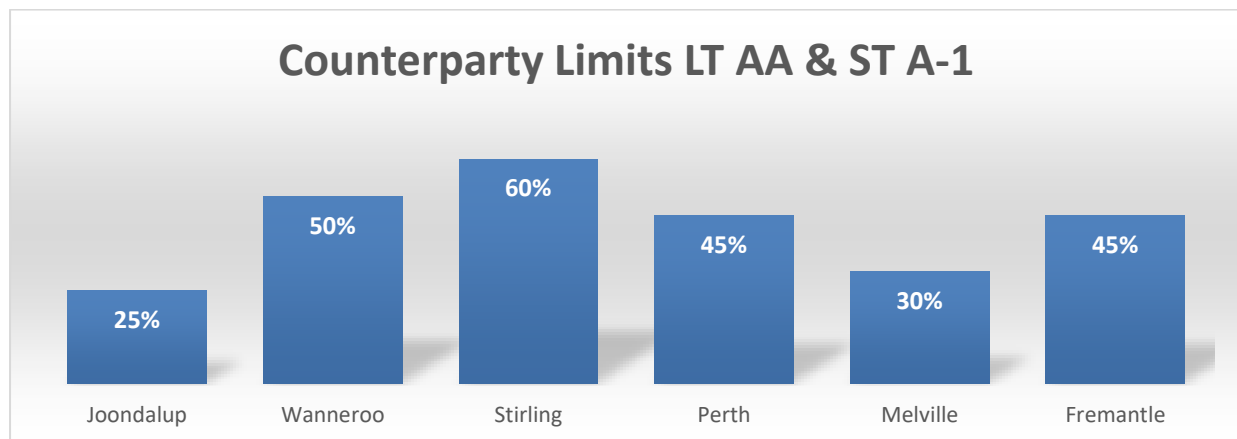
The City currently publishes this information as part of the monthly investment report that forms part of the Financial Activity Statement provided to Council each month.

The table compares the City of Joondalup investment position in non-fossil fuel banks compared with some other local governments that have made some provision in their investment policies regarding non-fossil fuel investment:

Local Government	Date of investment report	Percentage of portfolio in non-fossil fuel lending banks
City of Joondalup	31/01/2019	34%
City of Melville	31/01/2019	18% <i>(includes Trust Fund investments)</i>
City of Stirling	31/01/2019	Not published
City of Swan	31/01/2019	45%
City of Fremantle	31/01/2019	46% <i>(includes Trust Fund investments)</i>
City of Armadale	31/01/2019	45% <i>(includes Trust Fund investments)</i>

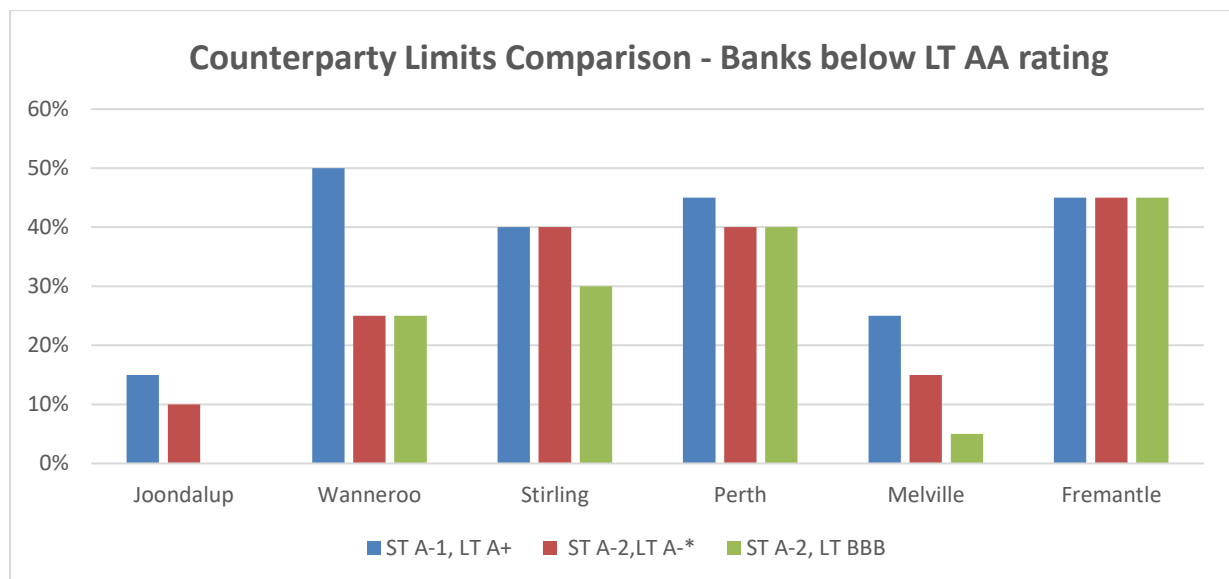
The following tables further illustrate the City's existing investment portfolio risk profile and counterparty limits compared to other local governments.

Lowest Risk Financial Institutions



The above comparison to Individual Counterparty (Bank) Limits illustrates the City's lower counterpart limits in comparison to similar sized local governments, namely a lower risk appetite and better diversification of risk. The City can thus only invest a maximum of 25% of the total portfolio with any individual bank that meets the above criteria.

With financial institutions that have lower crediting ratings, that is those that carry higher risk, the City's risk appetite is compared to other local governments below, and illustrates that the City maintains a low risk appetite with such institutions as well.



The above comparison illustrates how the City minimises exposure to risk in any individual financial institution.

The City does not invest with ADIs that carry a long-term credit rating below A (based on the rating assigned by at least two out of the three major rating agencies). A number of other organisations employ a higher risk appetite and invest with BBB-rated institutions. The City has on several occasions considered this and determined that increasing exposure to ADIs at or below this rating is not in accordance with the principles of prudent investment of public funds. With the principal objective of the *Investment Policy* being preservation of capital, raising the City's risk appetite would be detrimental to this goal.

Issues and Options Considered

To increase the level of investment in non-fossil fuel investing banks the City would need to either increase its counter party limits of 10% and 15% on those non-fossil fuel investing banks it currently invests in and / or extend its credit rating limits to include BBB-rated institutions.

It needs to be emphasised that in terms of the Council resolution proviso that the City can secure a rate of return that is at least equal to the alternative offered by other other institutions, the issue is not the interest rate of return it is the additional risk to capital. The current fossil fuel free investment institutions offer higher interest rates than mainstream banks. The reason for this is that they are riskier investments.

Option 1: Increase *Investment Policy* Limits and Counterparty Limits to allow greater percentage of funds to Non-Fossil Fuel Banks

Banking institutions which do not lend to or invest in the fossil fuel industry generally carry relatively lower credit ratings. Therefore, divestment towards such institutions brings with it a potentially higher risk of capital loss.

Increasing the City's appetite for risk is not considered appropriate in order to facilitate movement of investments away from financial institutions considered to support the fossil fuel industry. The City has a primary obligation to all ratepayers and to the community at large for prudent management of ratepayer funds. Increasing the City's risk appetite to this end is not commensurate with this investment objective.

It is not commensurate with the principles of the City's *Investment Policy* or with prudent financial management to increase the City's appetite for risk. Increasing exposure to ADIs with lower credit ratings is not considered prudent in the management of public funds.

This option is not recommended.

Option 2: Relax counterparty credit rating requirements to accommodate more financial institutions

Another option available to the City to increase investment in non-fossil fuel investing ADIs is to relax the credit rating limits currently in the *Investment Policy*. Most ADIs recommended on Market Forces' website for non-fossil fuel investment carry lower credit ratings than the *Investment Policy* permits. The City does not place funds with ADIs rated below 'A'. This is different to a number of other local governments that do permit investment with lower-rated ADIs. In part, this would facilitate more investment in financial institutions that do not invest in fossil fuel industries, as many such institutions are considered riskier for investments.

Relaxing risk criteria for investment purposes, particularly in the management of public funds, must be commensurate with the City's appetite for risk. The City's existing low risk strategy with investments remains the most appropriate mechanism to meet the primary objective of the *Investment Policy*, namely preservation of capital.

This option is not recommended.

Option 3: Maintain current *Investment Policy* and continue to support initiatives outlined in Climate Change Strategy 2014-19

The City of Joondalup has committed to reducing greenhouse gas emissions through its [Climate Change Strategy 2014 – 2019](#), and has taken a number of steps to reduce its greenhouse gas emissions, including the following:

- Installation of photovoltaic cells on 13 of the City's community buildings.
- Offsetting 100% of vehicle fleet emissions.
- Energy efficiency improvements in City buildings as directed by energy audits.
- Installation of LED lighting in public spaces including in the Joondalup CBD.
- Delivery of a household eco-audit program to help households reduce energy and water consumption.
- Implementing an annual urban tree planting program.
- Construction of the Currambine Community Centre to a 4 Star Green Star Rating. The City of Joondalup was the first local government Australia-wide to design in-house a public building that has achieved a 4 Star Green Star rating as certified by the Green Building Council.

The City's *Climate Change Strategy* commits to the reduction of net greenhouse gas emissions by 5% per capita below 2012-13 emissions by 2018-19. Over the life of the *Climate Change Strategy* the City has reduced its total corporate emissions by 23%.

The City's *Climate Change Strategy* will undergo a major review in 2019-20 and will consider the findings of the most recent and relevant reports including the research developed by the Intergovernmental Panel on Climate Change (IPCC) and Western Australian Local Government Association.

The City's Annual Report provides an overview of key actions the City has taken to improve its environmental performance in 2017-2018 and reports on the City's:

- corporate greenhouse gas emissions
- corporate energy consumption
- amount of greenhouse gases avoided through our Renewable Energy Program
- the purchased carbon offset to offset 100% of the City's fleet emissions.

The City is a member of the Global Covenant of Mayors for Climate and Energy and has achieved full compliance of the program demonstrating a commitment to promoting and supporting action to combat climate change and move to a low emission, resilient society. The City was the first fully compliant local government in Western Australia.

The monthly Financial Activity Statement provided to Council includes an investment summary document that outlines the extent to which the City already invests with financial institutions that, according to the Market Forces website, do not support the fossil fuel industry. These investments have been made entirely within the context of the existing *Investment Policy*, purely considering risk and return and without making any particular concession to favour non-fossil fuel investments. At 31 January 2019, the City held approximately 34% of its total investment portfolio at that date with financial institutions considered to not support the fossil fuel industry. This information is currently published with the monthly investment report provided to Council each month with the Financial Activity Statement.

Essentially, the City is already diverting investment to financial institutions considered to not invest in the fossil fuel industry by applying the existing *Investment Policy*. It is not considered necessary to introduce any amendments to the *Investment Policy*, similar to that made by other local governments. The primary obligation to manage ratepayer funds by minimising risk and maximising return should appropriately remain the paramount consideration of the City's *Investment Policy*.

This option is recommended.

Provision in Policy to accommodate non-fossil fuel investments

Should options 1 or 2 be supported the *Investment Policy* will need to be amended to reflect the relevant change. These options address the application of policy and counterparty limits to the City's investment practices. Separate to this is whether the *Investment Policy* should include a statement in regard to the City's position on investing in financial institutions who invest in the fossil fuel industry. A statement if supported could apply with either of the three options above including option 3 as recommended which is for no change.

A statement could be added to the *Investment Policy* as follows:

"Preference is to be given to financial institutions that do not invest in or finance the fossil fuel industry where:

- *the investment is compliant with the City's Investment Policy*
- *the investment offers the City superior returns after all considerations of credit rating and risk diversification outlined in this Policy have been fully satisfied.*

Financial institutions that do not invest in or finance the fossil fuel industry will be identified based on information published by Market Forces."

This amendment to the *Investment Policy* will not have any significant financial impact to the City's investment risk and return profile as it would only be exercised after normal investment considerations has been made. It would be similar to amendments made by other local governments to their investment policies but would not change the current investment practice in any way and would essentially be a token gesture without any real substance.

A provision of this nature is not considered to be in keeping with the City's primary values (Transparent, Accountable, Honest, Ethical, Respectful, Sustainable, Professional).

Legislation / Strategic Community Plan / policy implications

Legislation

*Local Government Act 1995.
Trustees Act 1962.
Local Government (Financial Management) Regulations 1996.
Australian Accounting Standards.*

Strategic Community Plan

Key theme Financial Sustainability.

Objective Effective management.

Strategic initiative Manage liabilities and assets through a planned, long-term approach.

Policy *Investment Policy.*

Risk management considerations

There are significant risks involved in the management of the City's investment portfolio. The *Investment Policy* sets out provisions for compliance and governance that are designed to diversify and mitigate these risks. In addition to the policy there are internal processes and procedures governing investment activities and these are subject to both internal and external audit.

Financial / budget implications

Not applicable.

Regional significance

Not applicable.

Sustainability implications

Financial sustainability is imperative to the future growth and development of the City of Joondalup. The City's *Investment Policy* maintains the conservative approach to the City's investments which is a critical element of the long-term financial sustainability of the City.

Consultation

Investment policies currently in place at other similar local governments were reviewed as outlined earlier in this report, as well as published investment reports.

COMMENT

The *Investment Policy* has been reviewed in light of existing market conditions and legislative requirements. It preserves the City's conservative approach to investment that is being practised and is considered most appropriate to the needs of the City and outlines the City's approach to investment of surplus operational funds that may be available from time to time as well as funds held in the City's trust and reserve accounts.

VOTING REQUIREMENTS

Simple Majority.

COMMITTEE RECOMMENDATION

The committee recommendation to Council for this report (as detailed below) was resolved by the Policy Committee at its meeting held on 7 May 2019.

The committee recommendation is the same as recommended by City officers.

The Chief Executive Officer left the Chamber at 8.55pm and returned at 8.57pm.

MOVED Cr Dwyer, **SECONDED** Mayor Jacob that Council **NOTES** that no changes are proposed to the *Investment Policy* forming Attachment 1 to Report CJ067-05/19.

Extension of Time to Speak

MOVED Cr Chester, SECONDED Cr Logan that Cr Norman be permitted an extension of time to speak for a further five minutes.

The Motion to Extend was Put and

CARRIED (12/0)

In favour of the Motion: Mayor Jacob, Crs Chester, Dwyer, Fishwick, Hollywood, Jones, Logan, McLean, May, Norman, Poliwka and Taylor.

The Motion as Moved by Cr Dwyer, seconded by Mayor Jacob was Put and TIED (6/6)

In favour of the Motion: Mayor Jacob, Crs Dwyer, Hollywood, McLean, May and Taylor.

Against the Motion: Crs Chester, Fishwick, Jones, Logan, Norman and Poliwka.

There being an equal number of votes, the Mayor exercised his casting vote and declared the Motion **CARRIED (7/6)**

Appendix 18 refers

To access this attachment on electronic document, click here: [Attach18brf190514.pdf](#)

CJ068-05/19 COASTAL LIMESTONES HAZARDS POLICY REVIEW

WARD	All
RESPONSIBLE DIRECTOR	Mr Nico Claassen Infrastructure Services
FILE NUMBER	101260, 101515
ATTACHMENTS	Attachment 1 <i>Coastal Limestone Hazards Policy</i> Attachment 2 Examples of coastal signage
AUTHORITY / DISCRETION	Legislative - includes the adoption of local laws, planning schemes and policies.

PURPOSE

For Council to revoke the *Coastal Limestone Hazards Policy* as part of the Policy Manual Review.

EXECUTIVE SUMMARY

The City's coastal foreshore is a key environmental asset and provides numerous opportunities for passive and active recreation. The natural diversity across the coastline includes limestone cliff faces, coastal heathland and sandy dunes. The City actively manages its coastal areas to maintain the integrity and biodiversity values and to provide safe recreational access for the community.

The nature of the City of Joondalup's coastline means that it is vulnerable to erosion processes which can be increased following disturbance to vegetation. Erosion of coastal structures such as limestone cliffs may pose a safety hazard to users of the coastal foreshore. The *Coastal Limestone Cliff Hazard Policy* was adopted by the Joint Commissioners at the meeting held on 23 November 2004 (CJ279-11/04 refers) to manage and mitigate the potential public hazard risks associated with limestone erosion along the City's coastline.

As part of the 2019 Policy Manual Review, the *Coastal Limestone Hazards Policy* was highlighted for revocation as the operational content listed in the policy has been superseded and duplicated by actions listed in the *Coastal Infrastructure Adaptation Plan*, *Coastal Foreshore Management Plan* and the City's *Capital Works Program*.

Since the policy was last reviewed in 2012, at its meeting held on 15 May 2018 (CJ082-05/18 refers), Council adopted its *Coastal Infrastructure Adaptation Plan 2018-2026*, which addresses coastal vulnerability and coastal public safety risk and recommends the City's coastal cliff hazard audits are reviewed and action taken to improve public safety. The City's *Coastal Foreshore Management Plan 2014-2024* also recommends regular inspection and risk assessment of limestone cliff areas within the foreshore reserve.

Many of the initiatives within these plans are embedded into operational business-as-usual services delivered by the City through its *Five Year Capital Works Program*. For example, the City's *Coastal Fencing Program* and the *Conservation Reserves Signage Program* commit on-going funding to the maintenance and installation of fencing and educational signage along the coastal dual-use pathway to mitigate and discourage access to high-risk limestone cliff locations.

It is therefore recommended that Council revokes the Coastal Limestone Hazards Policy as shown in Attachment 1 to Report CJ068-05/19.

BACKGROUND

The nature of the City's coastline means that it is vulnerable to erosion processes which can be increased following disturbance to vegetation. Erosion of coastal structures such as limestone cliffs may pose a safety hazard to users of the coastal foreshore. The *Coastal Limestone Hazards Policy* was adopted by the Joint Commissioners at the meeting held on 23 November 2004 (CJ279-11/04 refers) to manage and mitigate the potential public hazard risks associated with limestone erosion along the City's coastline.

The policy has undergone two minor reviews since it was first adopted. At its meeting held on 11 October 2005 (CJ206-10/05 refers), Council adopted a proposed policy name change to *Coastal Limestone Hazards Policy* and removed an operational reference to the City's risk management strategies and the actions in place to mitigate coastal hazards. During the 2012 review, only minor wording changes were suggested to improve readability as the purpose and intention of the policy remained unchanged. Council subsequently adopted the revised policy at its meeting held on 15 May 2012 (CJ093-05/12 refers). The policy has remained unchanged since its review in 2012.

Coastal Infrastructure Adaptation Plan 2018-2026

The City's *Coastal Infrastructure Adaptation Plan 2018-2026* was endorsed by Council at its meeting held on 15 May 2018 (CJ082-05/18 refers) to ensure the City is adequately prepared to adapt to current and future coastal hazards and risk to City infrastructure and assets is minimised. In developing the plan, public safety risks associated with access areas above and below the cliffs was highlighted and an action to review previous audits of the City's coastline to identify any potential coastal cliff hazards and make recommendations to improve public safety was included within the plan.

The City has previously undertaken an audit to identify any coastal cliff hazards and has installed signage to warn visitors to the area. The City will review the outcomes of the previous audit; determine if there have been any changes to the cliff hazard areas and make recommendations to improve existing warning signage or access restrictions.

Coastal Foreshore Management Plan 2014 – 2024

The City's *Coastal Foreshore Management Plan 2014-2024* was endorsed by Council at its meeting held on 21 October 2014 (CJ193-10/14 refers) to provide direction for the ongoing management of the City's coastal natural areas over a period of 10 years. The plan describes the potential environmental impacts, risks and threats that are likely to affect the biodiversity values of the area.

This plan highlights that the rocky coastline that occurs along parts of the City's foreshore can potentially pose a risk to the public through natural and enhanced degradation processes, such as ongoing erosion resulting in cracking and collapse of limestone structures. To mitigate such risks, the plan recommends that the City should continue to implement a formal inspection and risk assessment of limestone cliff areas within the foreshore reserve and limit access to areas that are potentially unsafe.

Capital and Operational Works Program

The City discourages access to high-risk limestone cliff locations through the installation of fencing infrastructure and educational signage along the coastal dual-use pathway. Coastal fencing is utilised along the entire length of the City's coastline and serves the predominant purpose of discouraging access to coastal reserve areas, as well as ensuring the safety of coastal visitors within locations considered to be of high-risk, such as limestone cliff face areas.

The *Coastal Fencing Program* and the *Conservation Reserves Signage Program* under the City's *Capital Works Program* aims to mitigate risk of injury and misadventure associated with limestone cliffs as well as protect native vegetation and support dune restoration by preventing public access. The City maintains signage and fencing on the coastal pathways at locations identified as being of significant risk of limestone hazards. This is managed through the *Foreshore Reserves Operational Maintenance Program*. Examples of current signage can be found in Attachment 2 to Report CJ068-05/19.

DETAILS

The City's policies are regularly reviewed to ensure their continued relevance and applicability. The *Coastal Limestone Hazards Policy* was identified for revocation as part of the 2019 Policy Manual Review as it contains operational content which is duplicated and superseded by actions identified in other City plans.

Reasons for revocation of this policy are as follows:

- The policy details actions of an operational nature, which is not appropriate for a City policy.
- Actions contained within the policy have been duplicated and superseded by the *Coastal Infrastructure Adaptation Plan*, the *Coastal Foreshore Management Plan* and the *Capital Works Program*.

Local Government Comparison

An analysis of other local governments was undertaken to inform the review of the City's *Coastal Limestone Hazards Policy*.

Of the 10 local governments that have coastal limestone outcrops between Gingin and Margaret River, only the City of Joondalup has a policy relating to coastal limestone hazards. Five of the local government authorities have actions within endorsed plans which mitigate risks associated with coastal limestone hazards, while four have a coastal fencing program and three have installed signs to deter members of the public from accessing high risk areas of coastal limestone. These policies and plans are outlined in the table below.

Name of Local Government	Policy	Mechanisms in Place
City of Joondalup	Yes	Coastal Infrastructure Adaptation Plan 2018-2026 Coastal Foreshore Management Plan 2014-2024 Coastal Fencing Program Conservation Reserves Signage Program
Shire of Gingin	No	Coastal safety warning signage (Seabird)
City of Wanneroo	No	Coastal Monitoring Program - Coastal Fencing
City of Stirling	No	Coastal Foreshore Action Plans - Coastal Fencing
City of Nedlands	No	N/A
Town of Cottesloe	No	Natural Areas Management Plan
City of Fremantle	No	N/A
City of Mandurah	No	Coastal Walkway Fencing Program
Shire of Busselton	No	Coastal Adaptation Plan
Shire of Augusta Margaret River	No	Foreshore Development Plans - Coastal signage

This comparison supports the recommendation that the *Coastal Limestone Hazards Policy* should be revoked as other local governments manage associated risks through similar operational activities to the City of Joondalup and do not require a formal policy position to facilitate this.

Issues and options considered

Council has the option to either:

- revoke the *Coastal Limestone Hazards Policy*, as shown in Attachment 1 to Report CJ068-05/19
- suggest modifications to the *Coastal Limestone Hazards Policy*
or
- retain the *Coastal Limestone Hazards Policy* in its current format, as shown in Attachment 1 to Report CJ068-05/19.

The recommended option is to revoke the *Coastal Limestone Hazards Policy*.

Legislation / Strategic Community Plan / Policy implications

Legislation Not applicable.

Strategic Community Plan

Key theme Community Wellbeing

Objective Community Safety.

For residents to feel safe and confident in their ability to travel and socialise within the community.

Strategic initiative Build a healthy community that is aware of and responsive to current public health risks.

Policy *Coastal Limestone Hazards Policy*.

Risk management considerations

The City is committed to ensuring hazards relating to coastal limestone erosion are appropriately mitigated through implementation of the *Coastal Infrastructure Adaptation Plan 2018-2026* and the *Capital Works Program*. As such, there would be no increased risk to the community in revoking the *Coastal Limestone Hazards Policy*.

Financial / budget implications

Approximately \$100,000 is allocated annually to the renewal of fences along the coastline through the City's *Five Year Capital Works Program* - Coastal Fencing. Signage regarding coastal limestone hazards are installed and maintained as a component of the City's *Five Year Capital Works Program* - Conservation Reserves Signage, to which approximately \$60,000 is allocated annually. These funds are used to provide signage in the City's conservation reserves. This detail is outlined in the table below:

Financial Year	Coastal Fencing Program	Conservation Reserves Signage Program
2018-19	\$ 85,000	\$60,000
2019-20	\$100,000	\$60,000
2020-21	\$110,000	\$60,000
2021-22	\$120,000	\$70,000
2022-23	\$120,000	\$70,000

As this funding is allocated through the *Capital Works Program*, revocation of the *Coastal Limestone Hazards Policy* would have no financial implications for the City.

Regional significance

The Western Australian Local Government Association (WALGA) has been undertaking considerable work relating to a coastal vulnerability policy to support and advocate for coastal local governments. The City will continue to engage with WALGA and remain cognisant of WALGA's work in this area.

Sustainability implications

Not applicable.

Consultation

Consultation with the City's insurer, LGIS WA, has confirmed that revoking the *Coastal Limestone Hazards Policy* will have no implications to the provision of insurance cover, as the City will manage the risks relating to the coastal limestone within its *Coastal Infrastructure Adaptation Plan* and *Capital Works Program*.

COMMENT

The on-going review of the City's Policy Manual aims to increase consistency and relevance and reduce duplication and operational content. While the City remains committed to managing the risks associated with coastal limestone, the *Coastal Limestone Hazards Policy* has now been duplicated and superseded by actions contained within the *Capital Works Program* and *Coastal Infrastructure Adaptation Plan*. As such, it is recommended that the policy is revoked by Council.

VOTING REQUIREMENTS

Simple Majority.

COMMITTEE RECOMMENDATION

The committee recommendation to Council for this report (as detailed below) was resolved by the Policy Committee at its meeting held on 7 May 2019.

The committee recommendation is the same as recommended by City officers.

MOVED Mayor Jacob, SECONDED Cr Jones that Council REVOKES the *Coastal Limestone Hazards Policy* provided at Attachment 1 to Report CJ068-05/19.

The Motion was Put and CARRIED (12/0) by Exception Resolution after consideration of CJ069-05/19, page 219 refers.

In favour of the Motion: Mayor Jacob, Crs Chester, Dwyer, Fishwick, Hollywood, Jones, Logan, McLean, May, Norman, Poliwka and Taylor.

Appendix 19 refers

To access this attachment on electronic document, click here: [Attach19brf190514.pdf](#)

REPORT OF THE CHIEF EXECUTIVE OFFICER

CJ069-05/19 ESTABLISHMENT OF COMMUNITY REFERENCE GROUP – DRAFT NEW PLANNING FRAMEWORK FOR INFILL DEVELOPMENT

WARD	All
RESPONSIBLE DIRECTOR	Mr Garry Hunt Chief Executive Officer
FILE NUMBER	107575, 101515
ATTACHMENT	Attachment 1 Proposed Nomination Form Attachment 2 Proposed Terms of Reference
AUTHORITY / DISCRETION	Executive - The substantial direction setting and oversight role of Council, such as adopting plans and reports, accepting tenders, directing operations, setting and amending budgets.

PURPOSE

For Council to consider the establishment of a Community Reference Group (CRG) for the draft new planning framework for infill development and to approve calling for Expressions of Interest (EOI) from the community for nomination.

EXECUTIVE SUMMARY

At its meeting held on 21 November 2017 (CJ177-11/17 refers), Council committed to preparing a new planning framework for infill development and in July 2018 the City of Joondalup (City) engaged a specialist consultant team to consult with the community and to prepare the new planning framework.

The consultants have now finalised development of the draft new planning framework, which is comprised of two different documents:

- Draft *Place Neighbourhoods Local Planning Policy*.
- Draft Amendment No. 3 to the *City of Joondalup Local Planning Scheme No. 3*.

A report was prepared for the Council meeting held on 16 April 2019 that sought Council's agreement to advertise the draft new planning framework for public consultation. At the meeting, a procedural motion was moved and carried to defer the matter until the Council meeting to be held on 21 May 2019 (CJ045-04/19 refers).

At its meeting held on 16 April 2019, as a matter of urgent business, Council requested that the Chief Executive Officer prepare a report on the establishment of a CRG for the new planning framework for infill development (C24-04/19 refers) that:

- is facilitated by an external party to the City
- is independently chaired
- consists of two representatives from each Housing Opportunity Area (HOA) / Place Neighbourhood as detailed in the draft new planning framework,

and its purpose being for members of the group to:

- be briefed on the draft new planning framework
- disseminate information to other members of the community
- assist with preparation of submissions on the draft new planning framework, once formal consultation commences.

Through a proposed Nomination Form (Attachment 1 refers), it is recommended that EOIs are called from community members over a 21 day period.

The EOI will seek nominations for the CRG from owners of land within the City's current HOAs. Council will approve the selection, which will be based on the information contained on the completed nomination forms.

The aim for the membership of the CRG is to have diverse representation from the community (gender and age) within the following parameters:

- a maximum of two landowners from each of the HOAs
- owners of land who have already developed at the higher density coding allocated to their properties, or have submitted plans to the City to do so, will not be selected to participate in the CRG
- current Federal, State or Local Government Elected Members, or those who have served in the last four years, will not be selected to participate in the CRG
- any landowner intending to nominate or nominating to stand in a Federal, State or Local Government election will not be selected to participate in the CRG.

Calls for EOI will be advertised in the West Australian and community newspapers in addition to status updates being posted on the City's Facebook page and LinkedIn.

In accordance with the proposed CRG Terms of Reference, two independent Co-Chairs will be appointed by Council and will be assisted by an independent, specialist facilitator, appointed by the City.

Once the nomination process has closed, City officers will assess the nominations and provide recommendations on the group's proposed membership in a subsequent report to Council.

It is therefore recommended that Council:

- 1 *APPROVES the establishment of the Community Reference Group for the draft new planning framework for infill development;*
- 2 *APPROVES the appointment of two independent Co-Chairs of the Community Reference Group, to act in accordance with the Terms of Reference set out in Attachment 2 to Report CJ069-05/19;*
- 3 *APPROVES the appointment of an independent, specialist facilitator, to act in accordance with the Terms of Reference set out in Attachment 2 to Report CJ069-05/19;*

- 4 *APPROVES up to 20 members from the community for the Community Reference Group, in accordance with the Terms of Reference set out in Attachment 2 to Report CJ069-05/19;*
- 5 *SUPPORTS calling for Expressions of Interest for a 21 day period using the Nomination Form and Terms of Reference shown as Attachments 1 and 2 to Report CJ069-05/19;*
- 6 *Subsequent to the 21 day Expression of Interest advertising period and assessment of the Nomination Forms received, REQUESTS the Chief Executive Officer to prepare a report to Council on the proposed community selection of the Community Reference Group.*

BACKGROUND

The State Government has a policy position that 47% of Perth's future population growth needs to be accommodated in existing suburbs and has set dwelling targets for each local government, including the City.

For local governments like the City, which do not have many or any greenfield or vacant sites left, much of this growth needs to be infill development.

To demonstrate how the City was going to achieve its dwelling targets, the City was required by the State Government to prepare a *Local Housing Strategy*. This strategy was developed, following consultation with the community in 2010.

It was established early in the development of the *Local Housing Strategy* that it was not appropriate to allow higher density development to occur everywhere throughout the City or only in the Joondalup City Centre. Instead, there were certain areas in the City (outside the city centre) that were identified as being most suitable for increases in residential density. These ten areas are known as HOAs.

Since development began occurring in the HOAs, concern has been raised by some members of the community about the impact that higher density development is having on existing residential areas.

At its meeting held on 21 November 2017 (CJ177-11/17 refers) Council resolved to engage consultants to prepare a new planning framework for infill development in the City.

At its meeting held on 17 July 2018 (CJ128-07/18 refers) following appropriate scope development and tendering processes, Council approved the engagement of an independent, impartial, unbiased, expert team of professionals to review the existing planning framework and to engage with the community as part of identifying a new approach and developing a new planning framework for infill development in the City.

The consultant team engaged extensively with the community in 2018 and the feedback received from the community helped inform the consultant work on the draft new planning framework.

The consultants have now finalised development of the draft new planning framework, which is comprised of two different documents:

- Draft *Place Neighbourhoods Local Planning Policy*.
- Draft Amendment No. 3 to the *City of Joondalup Local Planning Scheme No. 3*.

A report was prepared for the Council meeting held on 16 April 2019 that sought Council's agreement to advertise the draft new planning framework for public consultation. At the meeting, a procedural motion was moved and carried to defer the matter until the Council meeting to be held on 21 May 2019 (CJ045-04/19 refers).

One of the reasons given for the deferral, noting both the State Government's role and the community concern on the matter, was to take the opportunity to brief the Minister for Planning before Council decides on whether to progress public consultation on the draft new planning framework in its current form.

At its meeting held on 16 April 2019 (C24-04/19 refers) as a matter of urgent business, Council requested that the Chief Executive Officer prepare a report on the establishment of a CRG for the new planning framework for infill development that:

- is facilitated by an external party to the City;
- is independently chaired;
- consists of two representatives from each HOA/Place Neighbourhood as detailed in the draft new planning framework

and its purpose being for members of the group to:

- be briefed on the draft new planning framework
- disseminate information to other members of the community
- assist with preparation of submissions on the draft new planning framework, once formal consultation commences.

DETAILS

Once Council has made its decision on advertising the local planning policy and scheme amendment that collectively make up the draft new planning framework for infill development, it is intended that consultation will be undertaken as follows:

- Letters and brochures will be sent to:
 - everyone who owns property or lives in one of the 10 Place Neighbourhoods (HOAs)
 - everyone who lives adjacent to a Place Neighbourhood (HOA)
 - resident and ratepayer groups
 - industry stakeholders
 - relevant State Government Departments
 - adjoining Local Government Authorities
 - local businesses in or adjacent to each Place Neighbourhood (HOA).

These letters will explain the project and advise people of the engagement and direct them to the 'Community Consultation' section of the City's website and to the HOA webpage.

- Emails will be sent to:
 - attendees at Listening Posts who provided email addresses
 - attendees at Community Design Workshops who provided email addresses
 - other people who registered for updates
 - people who made direct contact with the City regarding the project

- Community Engagement Network members
- utility providers
- local Members of Parliament.

These emails will explain the project and advise people of the engagement and direct them to the 'Community Consultation' section of the City's website and to the HOA webpage.

- Detailed information (including videos) will be placed on the HOA webpage and via the City's website to:
 - explain the proposed new planning framework
 - answer Frequently Asked Questions
 - outline the processes to be followed
 - link residents to an online survey.
- Notices will be placed in the Joondalup Community newspaper.
- Notices will be placed through the City's social media platforms.
- Continued use of a dedicated telephone line and email address.
- Briefing of local Members of Parliament.
- Three Community Information Sessions will be held at different times and locations. City staff and consultants will be available at these sessions to explain the proposed new framework and answer any questions.

The reason for the request from Council to prepare a report on the establishment of a CRG, in addition to the consultation methodology outlined above, was to make sure that the community has every reasonable opportunity to:

- be informed about the content of the draft new planning framework
- understand the implications of the draft new planning framework for their individual properties, as well as their suburbs and neighbourhoods
- prepare of submissions on draft new planning framework, ahead of Council's formal consideration of the new framework and referral of the framework to the Western Australian Planning Commission for consideration.

Issues and options considered

Through an EOI process, interested community members can complete a Nomination Form (Attachment 1 refers) providing reasons why they consider their membership would be of benefit to the CRG. The Nomination Form also provides for prospective members of the CRG to agree to the associated Terms of Reference (Attachment 2 refers).

Co-Chairs and Facilitator

To progress the establishment of the CRG, it is recommended that Council appoints two independent Co-Chairs for the purposes of ensuring the CRG operates efficiently, effectively and according to the Terms of Reference. A key role of the Co-Chairs will be to ensure that members of the CRG have equal opportunity to contribute.

The Co-Chairs should ideally be those who have knowledge of the City's HOA and who have a strong connection to the City of Joondalup.

However, to manage any potential for conflict of interest, it is recommended that the appointed Co-Chairs neither own land in or adjacent to the HOAs, nor have immediate family members who own land in the HOAs.

In the event of the absence of the Co-Chairs from a meeting, other CRG members present have the authority to appoint one of their members to act as a Chair.

It is also recommended that the Co-Chairs be assisted by an independent, specialist facilitator, appointed by the City.

Expression of Interest for CRG members

To progress the establishment of the CRG, it is recommended that the City calls for EOIs from the community. This will be by way of public notices in *The West Australian* and community newspapers, the City's website and media outlets, public libraries and public notice boards.

Nomination Forms will be available on the City's website, or via mail if required. The proposed Terms of Reference for the group will also be made available with the Nomination Forms. A period of 21 days will be allocated for the return of the completed Nomination Forms, after which they will be assessed against the Terms of Reference. A report will then be submitted for Council's consideration of the recommended selection.

To encourage a diverse membership base, the City will seek to appoint members with an appropriate gender split and mixture of ages. Other parameters to be included in the CRG's 'Terms of Reference' could be as follows:

- A maximum of two landowners from each of the HOAs. In order to achieve broad representation and community participation, it is preferred that the two members for each HOA represent different suburbs within that HOA.
- Owners of land who have already developed at the higher density coding allocated to their properties, or have submitted plans to the City to do so, will not be selected to participate in the CRG.
- Current Federal, State or Local Government Elected Members, or those who have served within the last four years, will not be selected to participate in the CRG. Additionally, Federal, State or Local Government Elected Members should not attend CRG meetings, given the potential for the presence of these members to disrupt the process or influence the behaviour of CRG members, unless they are specifically invited by the CRG.
- Any landowner intending to nominate or who has nominated to stand in a Federal, State or Local Government election will not be selected to participate in the CRG. If a CRG member has been appointed to the CRG and then nominates to stand in an election, that CRG member will be required to forgo their membership as soon as the nomination is made.

To allow potential members that work standard business hours the option to nominate for the CRG, scheduled meetings should be outside of these hours. It is considered that a minimum of three meetings will be required and that the meetings could be scheduled, as follows:

- As soon as the CRG is formed. The purpose of this meeting will be to discuss how the CRG will function, explain and clarify the Terms of Reference, to provide a high-level briefing on the draft new planning framework for infill development, and for CRG members to identify issues of importance to them. These issues will not be responded to at the first CRG meeting.
- Just before formal consultation on the draft new planning framework begins. The purpose of this meeting will be to provide responses to any issues raised at the first CRG meeting, to gain understanding from CRG members what information and assistance they need to disseminate information to the broader community and for CRG members to identify any additional issues of importance.

- Mid-way through the consultation period. The purpose of this meeting will be to provide responses to any issues raised at the previous CRG meetings and to identify any additional issues of importance raised by CRG members.

Additional meetings of the CRG may be scheduled if there is demonstrated need for these (within the Terms of Reference). A decision on whether additional meetings are required will be made by the City, in consultation with the Co-Chairs of the CRG.

Legislation / Strategic Community Plan / policy implications

Legislation	Not applicable.
Key theme	Governance and Leadership.
Objective	Active democracy.
Strategic initiative	<ul style="list-style-type: none"> • Fully integrate community consultation practices into City activities. • Optimise opportunities for the community to access and participate in decision-making processes. • Adapt to community preferences for engagement formats.
Policy	<i>Community Consultation and Engagement Policy.</i>

Risk management considerations

A potential risk is a lack of representative interest from all cohorts who own land within the HOA which could result in the CRG having and perpetuating "group think".

Financial / budget implications

There is currently no budget formally allocated for the costs of establishing a CRG for the draft new planning framework.

Funds can be made available for the costs associated with establishing the CRG.

Regional significance

The City's infill areas were established through its *Local Housing Strategy* in response to a State Government strategic direction of accommodating 47% of population growth within existing suburbs. This direction seeks to limit urban sprawl throughout broader metropolitan Perth which has the impact of locating people in areas with poor access to employment, services and also requires expensive infrastructure to service.

The State Government has set minimum dwelling targets for each local government. To demonstrate how the City was going to achieve its targets, it was required to prepare a Local Housing Strategy. The recommendations of the *Local Housing Strategy* resulted in the City's current infill areas (or HOAs), and the planning framework that currently underpins these areas.

The draft new planning framework continues to respond to this overarching State Government strategic direction by providing increased densities, in appropriate locations, to support infill development.

Sustainability implications

As outlined above, at a more regional level, the draft new planning framework continues to support the State Government strategic direction of minimising urban sprawl, which is generally considered to be an unsustainable form of growth for a city.

At a more site-specific level, the draft new planning framework includes a number of sustainability initiatives, include the following:

- A fundamental shift in focus toward a 'green ratio'. The draft new planning framework mandates that a certain amount of area on a site be set aside for landscaping and includes specific controls as to how this landscape area should function and be treated to place a greater emphasis on the provision of tree canopy cover.
- Development standards to allow visitor parking, in some instances, to occur informally on the street, or to be contained within the development site. This results in more verge area that can be dedicated to landscaping and greening the public realm.
- Built form provisions to make better use of access to sunlight and cross ventilation to reduce reliance on artificial heating and cooling of dwellings.

Consultation

The proposed CRG will serve as a mechanism for increased community engagement, over and above that which would have been achieved through the other consultation mechanisms outlined earlier in this report.

COMMENT

It is considered that the establishment of a CRG for the draft new planning framework for infill development will assist in enhancing community understanding of the intent and objectives that underpin the draft new framework and the detailed content of the draft new framework.

This will enable the community to better understand the implications of the draft new framework and will assist in preparation of submissions on this critically important issue for the community.

Calling for EOIs from the community in line with the Terms of Reference detailed in Attachment 1 to Report CJ069-05/19 is recommended.

VOTING REQUIREMENTS

Simple Majority.

OFFICER'S RECOMMENDATION

That Council:

- 1 APPROVES the establishment of the Community Reference Group for the draft new planning framework for infill development;
- 2 APPROVES the appointment of two independent Co-Chairs of the Community Reference Group, to act in accordance with the Terms of Reference set out in Attachment 2 to Report CJ069-05/19;
- 3 APPROVES the appointment of an independent, specialist facilitator, to act in accordance with the Terms of Reference set out in Attachment 2 to Report CJ069-05/19;
- 4 APPROVES up to 20 members from the community for the Community Reference Group, in accordance with the Terms of Reference set out in Attachment 2 to Report CJ069-05/19;
- 5 SUPPORTS calling for Expressions of Interest for a 21 day period using the Nomination Form and Terms of Reference shown as Attachments 1 and 2 to Report CJ069-05/19;
- 6 Subsequent to the 21 day Expression of Interest advertising period and assessment of the Nomination Forms received, REQUESTS the Chief Executive Officer to prepare a report to Council on the proposed community selection of the Community Reference Group.

C33-05/19

PROCEDURAL MOTION – THAT THE ITEM BE DEFERRED - [01122, 02154]

MOVED Mayor Jacob, SECONDED Cr Dwyer that Council DEFERS consideration of Item CJ069-05/19 – Community Reference Group for Draft New Planning Framework for Infill Development, while the City progresses an interim local planning policy and scheme amendment for the City's Housing Opportunity Areas (Phase 1), and until the City commences engagement and consultation with the community on the draft *Joondalup Place Neighbourhoods Local Planning Policy* and Scheme Amendment No. 3 to the *City of Joondalup Local Planning Scheme No. 3* (Phase 2).

The Motion was Put and

CARRIED (10/2)

In favour of the Motion: Mayor Jacob, Crs Chester, Dwyer, Fishwick, Hollywood, Jones, Logan, McLean, Norman and Taylor.

Against the Motion: Crs May and Poliwka.

Appendix 20 refers

To access this attachment on electronic document, click here: [Attach20brf190514.pdf](#)

C34-05/19**COUNCIL DECISION – ADOPTION BY EXCEPTION RESOLUTION -
[01122, 02154]**

MOVED Mayor Jacob, **SECONDED** Cr Jones that pursuant to the *Meeting Procedures Local Law 2013* – Clause 4.8 – Adoption by exception resolution, Council **ADOPTS** the following items:

CJ046-05/19, CJ049-05/19, CJ051-05/19, CJ053-05/19, CJ054-05/19, CJ055-05/19, CJ057-05/19, CJ058-05/19, CJ061-05/19, CJ062-05/19, CJ065-05/19, CJ068-05/19, CJ070-05/19 and CJ071-05/19.

The Motion was Put and

CARRIED (12/0)

In favour of the Motion: Mayor Jacob, Crs Chester, Dwyer, Fishwick, Hollywood, Jones, Logan, McLean, May, Norman, Poliwka and Taylor.

CJ070-05/19 PROPOSAL FOR LEVYING DIFFERENTIAL RATES FOR THE 2019-20 FINANCIAL YEAR

WARD	All
RESPONSIBLE DIRECTOR	Mr Mike Tidy Corporate Services
FILE NUMBER	107783, 101515
ATTACHMENT	Attachment 1 Objects of and Reasons for Proposed Differential Rates for the 2019-20 Financial Year
AUTHORITY / DISCRETION	Legislative - includes the adoption of local laws, planning schemes and policies.

PURPOSE

For Council to consider a proposal for the setting of differential rates for the draft Budget for the 2019-20 Financial Year.

EXECUTIVE SUMMARY

As part of the process for the 2019-20 draft budget it is proposed to continue to apply differential rating introduced in 2008-09. In accordance with section 6.36 of the *Local Government Act 1995* Council is required to determine the differential rates to be advertised prior to consideration of the budget.

It is recommended that the proposed differential rates be advertised and public submissions, sought in accordance with section 6.36 of the *Local Government Act 1995* (the Act).

BACKGROUND

To set the rates for its budget, Council determines the total rate revenue it needs, in accordance with section 6.2 of the Act, and sets the cents in the dollar that will generate that revenue. The individual property valuations determine what proportion of the total rate requirements are met by each property owner. This proportion will change when a valuation changes.

Differential rates were first introduced in 2008-09 to maintain the distribution of the rate burden between the classes of residential, commercial and industrial property following a revaluation. The relativities between the differentials have been adjusted at subsequent revaluations in 2011-12, 2014-15 and 2017-18.

In addition to a differential between classes of property the City has applied a differential between improved and vacant land within each of the classes of residential, commercial and industrial property. The City is keen to promote and encourage the development of vacant land. This can be done through a number of positive initiatives and in this regard the City makes a significant contribution to encourage and promote economic development. It can also be done by actively discouraging the holding of vacant and undeveloped land. In respect of the latter a higher differential rate imposed on vacant land than the rate applicable for improved land acts as an inducement to develop vacant land.

DETAILS

Draft Budget 2019-20

The City is in the final stages of developing and preparing the draft 2019-20 Budget.

This process has encompassed the following:

- Reference and alignment to the Strategic Community Plan.
- *Strategic Financial Plan* alignment and review.
- Other Plans and Strategies.
- Critical Analysis of 2017-18 and progress in *2018-19 Annual Plan* performance.
- Consideration of budget parameters.
- Ongoing review of service delivery and service standards.
- Consideration of the efficiency and effectiveness of services and facilities and implementation of new efficiencies.
- Consideration of operating and capital proposals.
- Assessment of capacity including financial, rating and resources, sustainability, assets and reserves.

The development has been scrutinised by:

- executive through an extensive evaluation process encompassing the Capital Works Program and each Business Unit's draft budget
- Elected Members through the conduct of six draft 2019-20 Budget Workshops to date (during February, March, April and May 2019).

The final stage of the draft 2019-20 Budget process prior to adoption is to consider the setting of the cents in the dollar.

Differential Rates

Section 6.33 of the Act makes provision for the City to be able to levy differential rates based on a number of criteria.

“(1) *A local government may impose differential general rates according to any, or a combination, of the following characteristics —*

- (a) *the purpose for which the land is zoned, whether or not under a local planning scheme or improvement scheme in force under the Planning and Development Act 2005; or*
- (b) *a purpose for which the land is held or used as determined by the local government; or*
- (c) *whether or not the land is vacant land; or*
- (d) *any other characteristic or combination of characteristics prescribed.”*

Section 6.33 of the Act permits Council to levy differential rates such that the highest is no more than twice the lowest differential. A greater difference in differentials may be used but requires Ministerial approval.

Issues and options considered

There are several broad approaches for how the City might apply an increase in rates for the 2019-20 Budget.

Cents in the Dollar

There are three options for determining how the cents in the dollar may be set.

Option One – Do not Differentially Rate and Revert to a General Rate

The differential rate was introduced in 2008-09 to compensate for the distortions caused by higher residential property valuation increases compared to commercial and industrial property valuations. These relativities have been adjusted at subsequent revaluations to maintain the relativity between residential compared to commercial and industrial.

Reverting back to a general rate would significantly increase the rate burden falling on residential property owners with a reduction to commercial and industrial property owners.

This option is not recommended.

Option Two – Apply a Differential Rate but Re-assess What They Should Be

There needs to be a key driver or basis for setting a differential rate. In 2008-09 the driver was to maintain the proportion of rate revenue derived from each of residential, commercial and industrial property. Applying a higher differential rate for vacant property was introduced on the basis of discouraging the holding of property in a vacant or undeveloped state.

A change was made to the differential for vacant residential property in 2015-16 to bring it into line with treatment of the differentials for vacant commercial and industrial property. The differential for residential, commercial and industrial vacant property has been set at a rate that is twice the lowest differential which is the rate for residential improved property.

Since the differential rates were last considered for the 2018-19 budget there has been no change in legislative requirements impacting on the application of differential rating in the City of Joondalup and no change in circumstances that would suggest the basic drivers need to be reconsidered.

This option is not recommended.

Option Three – Apply a Differential Rate as a Percentage Based on the Differentials Set in 2018-19

As there has been no change in legislative requirements impacting on the application of differential rating in the City of Joondalup and no change in circumstances that would suggest the basic drivers need to be reconsidered then applying a percentage increase based on the differentials that were set in 2018-19 would preserve the relativity between the differentials. This is considered to be the most appropriate course in the current circumstances.

This option is recommended.

Minimum Payments

The Act provides that a local government may set a minimum payment for rates. That is, regardless of the result of the rate calculation determined by multiplying the cents in the dollar by the valuation, no property should be assessed for rates at an amount below the minimum payment. The cents in the dollar and minimum payment will together determine the minimum property valuation. Properties with a valuation below this will be subject to the minimum payment.

The Act does not provide any guidance as to what is an appropriate value for the minimum payment or how it might be determined. In essence it is whatever the local government may determine. The general philosophy is that every ratepayer should make a reasonable contribution to the services and facilities that a local government provides. There is a statutory limit prohibiting a minimum being set so high that more than 50% of properties in each differential rating category would be on the minimum. The percentage of properties in the City of Joondalup on the minimum is well below this threshold in each differential rating category.

There are two options.

Option Four – Re-Assess the Setting of Minimum Payments

The minimum payment that the City has been applying each year has not been based on any formula or criteria but simply represents what the City has determined is reasonable as a minimum payment.

By way of comparison in the table below for the current 2018-19 financial year, the City's minimum payment for residential improved of \$889 is middle of the road compared to eight of the larger metropolitan local governments by population noting that two of them do not have a separate refuse charge and include refuse in the rates charge.

Local Government	Residential Improved Minimum Payment 2018-19 \$
City of Stirling	845.00
City of Joondalup	889.00
City of Swan	880.00
City of Gosnells	962.00
City of Rockingham	1,158.00
City of Wanneroo	971.00
*City of Melville	1,269.47
*City of Cockburn	1,328.00

**Minimum rate includes rubbish charge*

In the absence of any specific guidelines and given that the City of Joondalup's minimum payment is well within industry norms the option of re-assessing the setting of minimum payments is not recommended.

Option Five – Apply Increases in Line with the Increases in Rates

It is considered that applying increases to the minimum payment that is in line with the overall City rate increase provides the most consistent and equitable approach.

This option is recommended.

Draft 2019-20 Budget Rate Revenue Requirement

The draft 2019-20 Budget is in the final stages of preparation. Workshops have been held with Elected Members and a draft overall position considered. A summary of the overall position is set out below:

Current Draft 2019-20 Budget Position

Operating Revenue (excluding General Rates)	\$53.945m
Plus Capital Revenue	\$6.208m
Plus Operating Adjustments for Depreciation and the like	\$32.883m
Plus Net Funding and Transfers	<u>\$0.111m</u>
	\$93.147m
Less Operating Expenditure	(\$157.054m)
Less Capital Expenditure	<u>(\$40.772m)</u>
	(\$104.679m)
Plus Surplus Brought Forward (estimated)	\$1.573m
Less Surplus Carried Forward	<u>(\$0.347m)</u>
Rate Setting Statement Deficit to be made up from General Rates	(\$103.453m)
This represents an overall Rate Increase of 2.25%	

It is recommended that the City base its cents in the dollar on option three and its minimum payment on option five with rates applying to each property category based on the following criteria:

- That differential rates apply to residential, commercial and industrial improved property based on an overall City rate in the dollar increase of 2.25% compared to 2018-19.
- That the differential rate on residential, commercial and industrial vacant property continue to be set at twice the lowest differential rate.
- An increase in the minimum payment for all residential, rural, commercial and industrial property of 2.25% compared to 2018-19 in line with the overall City rate increase.

Legislation / Strategic Community Plan / policy implications**Legislation**

The *Local Government Act 1995* Section 6.33 sets out the provisions in relation to differential rating. The City is able to apply separate rates in the dollar for different categories of properties based on zoning, land use, whether they are improved or unimproved and any other characteristic or combinations of characteristics prescribed.

Section 6.36 of the Act requires that if the City is intending to apply differential rating it must advertise the differentials it intends to apply with local public notice for a minimum 21 days and invite submissions in relation to the proposed differentials. A document is required to be made available for inspection by electors and ratepayers that describes the objects of, and reasons for, each proposed rate and minimum payment (Attachment 1 refers). The City is then required to consider any submissions received and make a final resolution in relation to the setting of the rates in the dollar and the adoption of the budget.

Strategic Community Plan

Key theme	Financial Sustainability.
Objective	Effective management.
Strategic initiative	Not applicable.
Policy	Not applicable.

Risk management considerations

Provided the statutory provisions are complied with there are no risk management issues for applying a differential rate.

Financial/budget implications

The application of differential rating is about apportioning the rate revenue that is required between different categories of property. There are no budget implications from just applying differential rating. The City could derive exactly the same total revenue by applying a general rate to all categories of property. The intention with proposing a differential rate however is to maintain the general proportion of rate revenue derived from each category of residential, commercial and industrial property.

Regional significance

Not applicable.

Sustainability implications

Not applicable.

Consultation

The proposed differential rating has been discussed at budget workshops by Elected Members and the Executive Management Team. The recommendations of this report reflect the feedback from those discussions.

The proposed differential rates are required to be advertised and public submissions sought. An advertisement will be placed in *The West Australian*, local newspapers as well as notice boards and the website for 21 days.

COMMENT

The differential rates and minimum payments that have been recommended will deliver an overall rate in the dollar increase of 2.25% compared to 2018-19. This is in line with feedback from the Budget Workshops held to date.

The various differential rates and minimum payments maintain the City's historical approach to apportioning the rate burden between the respective categories of residential, commercial and industrial as well as between vacant and developed residential, commercial and industrial property.

The recommendation relates only to undertaking the prescribed advertising for public submissions on the proposed differential rates and minimum payments. Adopting the recommendation does not commit Council to the differential rates and minimum payments proposed. Council is required to consider any public submissions received, prior to making its final determination. Adopting the recommendation also does not represent any commitment in relation to the adoption of the 2019-20 Budget.

VOTING REQUIREMENTS

Simple Majority.

MOVED Mayor Jacob, SECONDED Cr Jones that Council:

- 1 **NOTES** the process undertaken for the development of the draft Budget for the 2019-20 Financial Year;
- 2 **APPLIES** differential rates for the draft Budget for the 2019-20 Financial Year;
- 3 **ADVERTISES** in accordance with section 6.36 of the *Local Government Act 1995* for public submissions on the proposed differential rates as set out in the table below and makes available to the public, Attachment 1 to Report CJ070-05/19 setting out the objects and reasons for the differential rates as below:

	Cents in \$	Minimum Payment
<u>General Rate - GRV</u>		\$
Residential Improved	5.5886	909
Residential Vacant	11.1772	929
Commercial Improved	6.8854	929
Commercial Vacant	11.1772	929
Industrial Improved	5.8666	929
Industrial Vacant	11.1772	929
<u>General Rate - UV</u>		
Residential	1.0349	909
Rural	1.0300	909

- 4 **REQUESTS** a further report be presented to Council to consider:
 - 4.1 Any public submissions in relation to the proposed differential rates;
 - 4.2 The adoption of the Budget for the 2019-20 Financial Year after the close of public submissions.

The Motion was Put and CARRIED (12/0) by Exception Resolution after consideration of CJ069-05/19, page 219 refers.

In favour of the Motion: Mayor Jacob, Crs Chester, Dwyer, Fishwick, Hollywood, Jones, Logan, McLean, May, Norman, Poliwka and Taylor.

Appendix 21 refers

To access this attachment on electronic document, click here: [Attach21agn190521.pdf](#)

**CJ071-05/19 CONFIDENTIAL – NOMINATION FOR FREEMAN OF
THE CITY OF JOONDALUP**

WARD	All
RESPONSIBLE DIRECTOR	Mr Garry Hunt Chief Executive Officer
FILE NUMBER	89597, 101515
ATTACHMENTS	Attachment 1 Award Criteria Matrix <i>(Please Note: The Report and Attachment are confidential and will appear in the official Minute Book only).</i>
AUTHORITY / DISCRETION	Executive – The substantial direction setting and oversight role of Council, such as adopting plans and reports, accepting tenders, directing operations, setting and amending budgets.

This item was dealt with later in the meeting, after 'CJ063-05/19 - Confidential – Proposed Disposal of Lot 2 (20) Kanangra Crescent, Greenwood', page 230 refers.

URGENT BUSINESS

Nil.

MOTIONS OF WHICH PREVIOUS NOTICE HAS BEEN GIVEN

Nil.

C35-05/19 MOTION TO CLOSE MEETING TO MEMBERS OF THE PUBLIC - [01122, 02154]

MOVED Mayor Jacob, **SECONDED** Cr Jones that Council:

- 1** in accordance with Section 5.23(2)(b) and 5.23(2)(h) of the *Local Government Act 1995* and clause 5.2(2) of the City's *Meeting Procedures Local Law 2013*, **RESOLVES** to close the meeting to members of the public to consider the following items:
 - 1.1** CJ063-05/19 Confidential – Proposed Disposal of Lot 2 (20) Kanangra Crescent, Greenwood;
 - 1.2** CJ071-05/19 Confidential – Nomination for Freeman of the City of Joondalup;
- 2** **PERMITS** the following employees to remain in the Chamber during discussion on Items (CJ063-05/19 and CJ071-05/19) while the meeting is sitting behind closed doors as detailed in Parts 1.1 and 1.2 above:
 - 2.1** Chief Executive Officer, Mr Garry Hunt;
 - 2.2** Director Corporate Services, Mr Mike Tidy;
 - 2.3** Director Governance and Strategy, Mr Jamie Parry;
 - 2.4** Director Planning and Community Development, Ms Dale Page;
 - 2.5** Director Infrastructure Services, Mr Nico Claassen;
 - 2.6** Manager Governance, Mr Brad Sillence;
 - 2.7** Governance Officer, Mrs Deborah Gouges;
 - 2.8** Governance Officer, Mrs Wendy Cowley.

The Motion was Put and

CARRIED (12/0)

In favour of the Motion: Mayor Jacob, Crs Chester, Dwyer, Fishwick, Hollywood, Jones, Logan, McLean, May, Norman, Poliwka and Taylor.

Members of the staff (with the exception of the Chief Executive Officer, Director Corporate Services, Director Governance and Strategy, Director Planning and Community Development, Director Infrastructure Services, Manager Governance and two Governance Officers) and members of the public and press left the Chambers at this point; the time being 9.26pm.

CJ063-05/19 CONFIDENTIAL – PROPOSED DISPOSAL OF LOT 2 (20) KANANGRA CRESCENT, GREENWOOD

WARD	South-East
RESPONSIBLE DIRECTOR	Mr Garry Hunt Chief Executive Officer
FILE NUMBER	29562, 101515, 63627
ATTACHMENT	Attachment 1 Location Plan and Photographs <i>(Please Note: The Report and Attachment is confidential and will appear in the official Minute Book only)</i>
AUTHORITY / DISCRETION	Executive - The substantial direction setting and oversight role of Council, such as adopting plans and reports, accepting tenders, directing operations, setting and amending budgets.

This report is confidential in accordance with Section 5.23(2)(h) of the *Local Government Act 1995*, which permits the meeting to be closed to the public for business relating to the following:

The determination by the local government of a price for the sale or purchase of property, by the local government.

A full report was provided to Elected Members under separate cover. The report is not for publication.

MOVED Mayor Jacob, SECONDED Cr Logan that Council:

- 1 In accordance with section 3.58 of the *Local Government Act 1995*, and not receiving any submissions for consideration, SUPPORTS the disposal of Lot 2 (20) Kanangra Crescent, Greenwood to Green 55 Pty Ltd for the amount of \$1,225,000 exclusive of GST under the margin scheme;**
- 2 NOTES that the funds received from the sale will be allocated to the Joondalup Performing Arts and Cultural Facility Reserve Fund.**

The Motion was Put and

CARRIED (12/0)

In favour of the Motion: Mayor Jacob, Crs Chester, Dwyer, Fishwick, Hollywood, Jones, Logan, McLean, May, Norman, Poliwka and Taylor.

CJ071-05/19 CONFIDENTIAL – NOMINATION FOR FREEMAN OF THE CITY OF JOONDALUP

WARD	All
RESPONSIBLE DIRECTOR	Mr Garry Hunt Chief Executive Officer
FILE NUMBER	89597, 101515
ATTACHMENTS	Attachment 1 Award Criteria Matrix <i>(Please Note: The Report and Attachment are confidential and will appear in the official Minute Book only).</i>
AUTHORITY / DISCRETION	Executive – The substantial direction setting and oversight role of Council, such as adopting plans and reports, accepting tenders, directing operations, setting and amending budgets.

This report is confidential in accordance with Section 5.23(2)(b) of the *Local Government Act 1995*, which permits the meeting to be closed to the public for business relating to the following:

the personal affairs of any person.

A full report was provided to Elected Members under separate cover. The report is not for publication.

MOVED Mayor Jacob, SECONDED Cr Poliwka that Council:

- 1 ENDORSES the nomination for ‘Freeman of the City’ of Joondalup for the person as detailed in Report CJ071-05/19;**
- 2 AUTHORISES the Chief Executive Officer to arrange to confer the award at the next available meeting of Council or at a special event.**

The Motion was Put and

CARRIED (12/0)

In favour of the Motion: Mayor Jacob, Crs Chester, Dwyer, Fishwick, Hollywood, Jones, Logan, McLean, May, Norman, Poliwka and Taylor.

C36-05/19 MOTION TO OPEN MEETING TO MEMBERS OF THE PUBLIC - [01122, 02154]

MOVED Mayor Jacob, SECONDED Cr Poliwka that in accordance with clause 5.2(3)(b) of the *City of Joondalup Meeting Procedures Local Law 2013*, the Council meeting now be REOPENED TO THE PUBLIC.

The Motion was Put and

CARRIED (12/0)

In favour of the Motion: Mayor Jacob, Crs Chester, Dwyer, Fishwick, Hollywood, Jones, Logan, McLean, May, Norman, Poliwka and Taylor.

Doors opened at 9.35pm.

No members of the public or press were present.

C37-05/19 RESUMPTION OF ORDER OF BUSINESS - [01122, 02154]

MOVED Mayor Jacob, SECONDED Cr Hollywood that Council RESUMES the operation of clause 4.3 of the *City of Joondalup Meeting Procedures Local Law 2013* – Order of Business.

The Motion was Put and

CARRIED (12/0)

In favour of the Motion: Mayor Jacob, Crs Chester, Dwyer, Fishwick, Hollywood, Jones, Logan, McLean, May, Norman, Poliwka and Taylor.

ANNOUNCEMENTS OF NOTICES OF MOTION FOR THE NEXT MEETING

Nil.

CLOSURE

There being no further business, the Mayor declared the Meeting closed at 9.36pm the following Elected Members being present at that time:

MAYOR HON. ALBERT JACOB, JP
CR KERRY HOLLYWOOD
CR TOM MCLEAN, JP
CR PHILIPPA TAYLOR
CR NIGE JONES
CR CHRISTOPHER MAY
CR RUSSELL POLIWKA
CR MIKE NORMAN
CR JOHN CHESTER
CR JOHN LOGAN
CR RUSS FISHWICK, JP
CR SOPHIE DWYER