

Ordinary Council Meeting

Minutes for 22 September 2014

CONFIRMED



**shire of
kalamunda**

INDEX

1.0	OFFICIAL OPENING.....	6
2.0	ATTENDANCE, APOLOGIES AND LEAVE OF ABSENCE PREVIOUSLY APPROVED	6
3.0	PUBLIC QUESTION TIME	7
4.0	PETITIONS/DEPUTATIONS.....	7
5.0	APPLICATIONS FOR LEAVE OF ABSENCE	8
6.0	CONFIRMATION OF MINUTES OF PREVIOUS MEETING	8
7.0	ANNOUNCEMENTS BY THE MEMBER PRESIDING WITHOUT DISCUSSION.....	8
8.0	MATTERS FOR WHICH MEETING MAY BE CLOSED.....	9
	D&I 50. CONFIDENTIAL REPORT - REMOVAL OF UNAUTHORISED FENCING – LOTS 83 (30) AND 84 (28) PROSPECT CRESCENT, KALAMUNDA	
	C&C 39. CONFIDENTIAL - REQUEST FOR REVIEW OF RENTAL AMOUNT – 38 COLLINS ROAD, KALAMUNDA - (ATTACHMENTS 1, 2 AND 3) PROVIDED UNDER SEPARATE COVER.	
	C&C 40. CONFIDENTIAL - LESMURDIE TENNIS CLUB	
9.0	DISCLOSURE OF INTERESTS	9
10.0	REPORTS TO COUNCIL	10
10.1	DEVELOPMENT & INFRASTRUCTURE SERVICES COMMITTEE REPORT.....	10
	10.1.1 ADOPTION OF DEVELOPMENT & INFRASTRUCTURE SERVICES COMMITTEE REPORT	10
	10.1.2 D&I 47. PROPOSED LOCAL PLANNING POLICY P-DEV 44 – FORRESTFIELD/HIGH WYCOMBE INDUSTRIAL AREA – DEFERRAL OF DEVELOPER CONTRIBUTIONS	10
	10.1.4 D&I 49. PROPOSED DEVELOPER CONTRIBUTION INSTALMENT PLAN FOR AN APPROVED WAREHOUSE AND OFFICES – LOT 220 (116) SULTANA ROAD WEST, HIGH WYCOMBE.....	10
	10.1.3 D&I 48. AMENDMENT TO LOCAL PLANNING SCHEME NO. 3 – REZONE FROM PUBLIC PURPOSE - CHURCH TO RESIDENTIAL R5 – LOT 9000 (171) GLYDE ROAD, LESMURDIE...11	
	10.1.5 D&I 50. CONFIDENTIAL REPORT - REMOVAL OF UNAUTHORISED FENCING – LOTS 83 (30) AND 84 (28) PROSPECT CRESCENT, KALAMUNDA	12
10.2	CORPORATE & COMMUNITY SERVICES COMMITTEE REPORT	12
	10.2.1 ADOPTION OF CORPORATE & COMMUNITY SERVICES COMMITTEE REPORT.....	12
	10.2.2 C&C 33 DEBTORS AND CREDITORS REPORT FOR THE PERIOD ENDED 31 AUGUST 2014.....	13
	10.2.3 C&C 34 RATES DEBTORS REPORT FOR THE PERIOD ENDED 31 AUGUST	13
	10.2.4 C&C 35 REVISED RECORD KEEPING PLAN	13
	10.2.5 C&C 36 PETITION REQUESTING IMPROVEMENTS TO PLAYGROUNDS WITHIN REDGUM ESTATE, FORRESTFIELD.....	13
	10.2.6 C&C 37 COMPLAINT HANDLING POLICY AND MANAGEMENT PROCEDURES	14
	10.2.7 C&C 38 PROVISION AND MANAGEMENT OF LIGHT VEHICLES– ADOPTION OF POLICY.....	14
	10.2.8 C&C 39 CONFIDENTIAL - REQUEST FOR REVIEW OF RENTAL AMOUNT – 38 COLLINS ROAD, KALAMUNDA	14
	10.2.9 C&C 40 CONFIDENTIAL – LESMURDIE TENNIS CLUB.....	15
10.3	CHIEF EXECUTIVE OFFICER REPORTS.....	17
	10.3.1 DRAFT MONTHLY FINANCIAL STATEMENTS TO 31 AUGUST 2014.....	17
	10.3.2 AMENDMENT NO. 64 TO LOCAL PLANNING SCHEME NO. 3 – LOT 213 (28) LEWIS ROAD, WATTLE GROVE – ADDITIONAL USES (PLACE OF WORSHIP, CHALETs – SHORT TERM ACCOMMODATION AND COMMUNITY PURPOSE) (PREVIOUSLY D&I 42, AUGUST 2014)	26

10.3.3	DESIGN OF KALAMUNDA ROAD DUPLICATION FROM NEWBURN ROAD TO ABERNETHY ROAD – 2014/15 BUDGET AMENDMENT.....	35
10.3.4	WRITE OFF OF BALANCE ON MAIDA VALE NETBALL CLUB SELF SUPPORTING LOAN DEBT....	42
10.3.5	MEMBERSHIP FEES - WESTERN AUSTRALIAN LOCAL GOVERNMENT ASSOCIATION	47
10.3.6.	HILLS RURAL STUDY – FINAL ENDORSEMENT	56
11.0	MOTIONS OF WHICH PREVIOUS NOTICE HAS BEEN GIVEN	77
12.0	QUESTIONS BY MEMBERS WITHOUT NOTICE.....	80
13.0	QUESTIONS BY MEMBERS OF WHICH DUE NOTICE HAS BEEN GIVEN	80
14.0	URGENT BUSINESS APPROVED BY THE PRESIDING MEMBER OR BY DECISION	80
15.0	MEETING CLOSED TO THE PUBLIC	80
16.0	CLOSURE	81

Minutes

1.0 OFFICIAL OPENING

- 1.1 The Presiding Member opened the meeting at 6.33pm and welcomed Councillors, Staff and Members of the Public Gallery.

2.0 ATTENDANCE, APOLOGIES AND LEAVE OF ABSENCE PREVIOUSLY APPROVED

2.1 Attendance

Councillors

Sue Bilich	(Presiding Member) (Shire President)	North Ward
Margaret Thomas JP		North Ward
Noreen Townsend		South West Ward
Allan Morton		South West Ward
Justin Whitten		South West Ward
John Giardina		South East Ward
Geoff Stallard		South East Ward
Frank Lindsey		South East Ward
Andrew Waddell JP		North West Ward
Dylan O'Connor		North West Ward

Members of Staff

Rhonda Hardy	Chief Executive Officer
Warwick Carter	Director Development Services
Gary Ticehurst	Director Corporate Services
Charles Sullivan	Director Infrastructure Services
Darrell Forrest	Manager Governance
Andrew Fowler Tutt	Manager Development Services
Donna McPherson	Minute Secretary

Members of the Public 8

Members of the Press 0

2.2 Apologies

Councillors

Noreen Townsend	South West Ward
Bob Emery	North West Ward

2.3 Leave of Absence Previously Approved

Simon Di Rosso	North Ward
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3.0 PUBLIC QUESTION TIME

A period of not less than 15 minutes is provided to allow questions from the gallery on matters relating to the functions of Council. For the purposes of Minuting, these questions and answers will be summarised.

3.1 Mr Tim Colgate, 39 Lesmurdie Road East, Walliston

Q1. With reference to Item 10.1.3, given the claims there is a shortage of aged care accommodation within the Shire, have any Councillors or Shire staff engaged the proponents of the re-zoning to see if this site could be used for aged care rather than general residential housing?

A1. The Director Development Services advised the application came directly from the owners of the property. The Shire has not had discussion with the applicant in relation to aged care.

Q2. Does the shire have approval under the EPBC Act to clear vegetation for an aged care facility on Reserve 30314, Wilkins Road? If not, what environmental concerns have been raised regarding the proposed clearing of vegetation?

A2. The Director Development Services advised there was an application before the Federal Department for the Environment under the *Environment Protection Biodiversity Conservation Act*. This went through and was determined to be a "major action" under the Act and is currently being assessed.

Q3. In the minutes of the Planning Services Committee of 10 February 1997 (Report Item 15 paragraph 10) there is the statement "Land was included as part of the Darling Range Regional park as part of the MRS amendment. Any use of the land for other than Regional Reserve should not be supported". Why is the Shire contradicting its own records by claiming this reserve does not form part of the Darling Range Regional Park?

A3. The Director Developments Services noted the Shire has been advised by the Department of Parks and Wildlife that the land is adjacent to, but is not part of the Darling Range Regional Park.

4.0 PETITIONS/DEPUTATIONS

4.1 Deputation – Western Australian Local Government Association

A request to make a Deputation received from the Western Australian Local Government Association (WALGA) was approved by the Shire President.

The Deputation was in relation to 10.3.5 Membership Fees - Western Australian Local Government Association.

Mr Wayne Scheggia and Mr Tony Brown presented the deputation on behalf of WALGA.

4.2 Deputation – Mr Harry Linge on behalf of Mr Wenzel

A request to make a Deputation received from the Mr Harry Linge on behalf of Mr Wenzel Guster was approved by the Shire President.

The Deputation was in relation to 10.1.5 D&I 50. CONFIDENTIAL REPORT - Removal of Unauthorised Fencing – Lots 83 (30) and 84 (28) Prospect Crescent, Kalamunda.

Mr Mr Linge presented the deputation on behalf of Mr Wenzel Guster.

5.0 APPLICATIONS FOR LEAVE OF ABSENCE

5.1 Nil.

6.0 CONFIRMATION OF MINUTES OF PREVIOUS MEETING

6.1 RESOLVED OCM 133/2014

That the Minutes of the Ordinary Council Meeting held on 25 August 2014, as published and circulated, are confirmed as a true and accurate record of the proceedings.

Moved: **Cr Geoff Stallard**

Seconded: **Cr Margaret Thomas**

Vote: **CARRIED UNANIMOUSLY (9/0)**

6.2 RESOLVED OCM 134/2014

That the Minutes of the Special Council Meeting held on 25 August 2014 are confirmed as a true and accurate record of the proceedings.

Moved: **Cr John Giardina**

Seconded: **Cr Frank Lindsey**

Vote: **CARRIED UNANIMOUSLY (9/0)**

7.0 ANNOUNCEMENTS BY THE MEMBER PRESIDING WITHOUT DISCUSSION

7.1 Citizenship Ceremony

The Shire President advised Councillors the next Citizenship Ceremony would be held on Thursday 2 October 2014. All Councillors are welcome, and encouraged, to attend.

8.0 MATTERS FOR WHICH MEETING MAY BE CLOSED

8.1 D&I 50. – Removal of Unauthorised Fencing – Lots 83 (30) and 84 (28) Prospect Crescent, Kalamunda and (Confidential Attachment 1)

Provided under separate cover.

Reason for Confidentiality – *Local Government Act 1995: Section 5.23 (2) (d) legal advice obtained, or which may be obtained by the local government and which relates to a matter to be discussed at the meeting*”

8.2 C&C 39. CONFIDENTIAL - Request for review of rental amount – 38 Collins Road, Kalamunda - (Attachments 1, 2 and 3) Provided under separate cover.

Reason for Confidentiality: *Local Government Act 1995 S5.23(2)(D) – “a contract entered into, or which may be entered into, by the local government which relates to a matter to be discussed at the meeting.”*

8.3 C&C 40. CONFIDENTIAL - Lesmurdie Tennis Club

Reason for Confidentiality: *Local Government Act 1995 S5.23(2)(d) – “legal advice obtained, or which may be obtained, by the local government and which relates to a matter to be discussed at the meeting”*

9.0 DISCLOSURE OF INTERESTS

9.1 Disclosure of Financial and Proximity Interests

- a. Members must disclose the nature of their interest in matters to be discussed at the meeting. (Section 5.65 of the *Local Government Act 1995*.)
- b. Employees must disclose the nature of their interest in reports or advice when giving the report or advice to the meeting. (Sections 5.70 of the *Local Government Act 1995*.)

Cr Geoff Stallard declared direct financial interest in relation to 10.1.3 – Amendment to Local Planning Scheme Rezone from Public Purpose – Lot 9000 Glyde Road, Lesmurdie – as he is an employee of the application.

9.2 Disclosure of Interest Affecting Impartiality

- a. Members and staff must disclose their interest in matters to be discussed at the meeting in respect of which the member or employee had given or will give advice.

Nil.

10.0 REPORTS TO COUNCIL

Please Note: declaration of financial/conflict of interests to be recorded prior to dealing with each item.

10.1 Development & Infrastructure Services Committee Report

10.1.1 Adoption of Development & Infrastructure Services Committee Report

Voting Requirements: Simple Majority

RESOLVED OCM 135/2014

That recommendations D&I 47 & D&I 49 contained in the Development & Infrastructure Services Committee Report of 8 September 2014, be adopted by Council en bloc. Item D&I48 and D&I 50 withdrawn for separate consideration

Moved: **Cr Margaret Thomas**

Seconded: **Cr Dylan O'Connor**

Vote: **CARRIED UNANIMOUSLY (9/0)**

10.1.2 D&I 47. Proposed Local Planning Policy P-DEV 44 – Forrestfield/High Wycombe Industrial Area – Deferral of Developer Contributions

EN BLOC RESOLUTION OCM 135/2014

That Council:

1. Not proceed with Local Planning Policy P-DEV 44 – Forrestfield/High Wycombe Industrial Area – Deferral of Developer Contributions (Attachment 1).

10.1.4 D&I 49. Proposed Developer Contribution Instalment Plan for an Approved Warehouse and Offices – Lot 220 (116) Sultana Road West, High Wycombe

EN BLOC RESOLUTION OCM 135/2014

That Council:

1. Not support the applicant's request to stage the developer contribution payments required for the approved warehouse and offices at Lot 220 (116) Sultana Road West, High Wycombe.

10.1.3 D&I 48. Amendment to Local Planning Scheme No. 3 – Rezone from Public Purpose - Church to Residential R5 – Lot 9000 (171) Glyde Road, Lesmurdie

Cr Geoff Stallard declared direct financial interest in relation to 10.1.3 – Amendment to Local Planning Scheme Rezone from Public Purpose – Lot 9000 Glyde Road, Lesmurdie – as he is an employee of the application. Cr Stallard left the chamber at 7pm and did not vote on the item. Cr Stallard returned to the chamber at 7.01pm.

RESOLVED OCM 136/2014

That Council:

1. Initiates the amendment to Local Planning Scheme No. 3, in accordance with the following:

PLANNING AND DEVELOPMENT ACT 2005
RESOLUTION DECIDING TO AMEND A LOCAL PLANNING
SCHEME
SHIRE OF KALAMUNDA
LOCAL PLANNING SCHEME NO. 3
AMENDMENT NO.

Resolved that the Council in pursuance of Part 5 of the *Planning and Development Act 2005* amend the above Local Planning Scheme by:

1. Rezoning Lot 9000 (171) Glyde Road, Lesmurdie, from Public Purpose – Church to Residential R5

Subject to amendment documents being submitted, the amendment documents being adopted by Council and the Amendment being formally advertised for 42 days in accordance with the provisions of the *Town Planning Regulations 1967*, without reference to the Western Australian Planning Commission.

2. The applicant is advised that the concept subdivision plan for the subject property does not form part of this amendment and will be considered on its merit if the amendment is approved and when subsequently a subdivision application is received.

Moved: **Cr John Giardina**

Seconded: **Cr Frank Lindsey**

Vote: **CARRIED UNANIMOUSLY (8/0)**

10.1.5 D&I 50. CONFIDENTIAL REPORT - Removal of Unauthorised Fencing – Lots 83 (30) and 84 (28) Prospect Crescent, Kalamunda

RESOLVED OCM 148/2014

That Council:

1. Does not pursue any further legal action on this matter as it is not in the public interest to do so given the substantive compliance with the removal of the fence panels.

Moved: **Cr Andrew Waddell**

Seconded: **Cr Frank Lindsey**

Vote: For

**Cr John Giardina
Cr Frank Lindsey
Cr Geoff Stallard
Cr Allan Morton
Cr Justin Whitten
Cr Andrew Waddell
Cr Dylan O'Connor
Cr Margaret Thomas**

Against
Cr Sue Bilich

CARRIED (8/1)

10.2 Corporate & Community Services Committee Report

10.2.1 Adoption of Corporate & Community Services Committee Report

Voting Requirements: Simple Majority

RESOLVED OCM 137/2014

That the recommendations C&C 33 to C&C 40 inclusive, contained in the Corporate & Community Services Committee Report of 15 September 2014, except withdrawn items C&C 39 and C&C40, be adopted by Council en bloc.

Moved: **Cr Margaret Thomas**

Seconded: **Cr Andrew Waddell**

Vote: **CARRIED UNANIMOUSLY (9/0)**

10.2.2 C&C 33 Debtors and Creditors Report for the Period Ended 31 August 2014

EN BLOC RESOLUTION OCM 137/2014

That Council:

1. Receives the list of payments made from the Municipal Accounts in August 2014 (Attachment 1) in accordance with the requirements of the *Local Government (Financial Management) Regulations 1996 (Regulation 12)*.
2. Receives the list of payments made from the Trust Accounts in August 2014 as noted in point 11 above in accordance with the requirements of the *Local Government (Financial Management) Regulations 1996 (Regulation 12)*.
3. Receives the outstanding debtors (Attachment 2) and creditors (Attachment 3) reports for the month of August 2014.

10.2.3 C&C 34 Rates Debtors Report for the Period Ended 31 August

EN BLOC RESOLUTION OCM 137/2014

That Council:

1. Receives the rates debtors report for the period ended 31 August 2014 (Attachment 1).

10.2.4 C&C 35 Revised Record Keeping Plan

EN BLOC RESOLUTION OCM 137/2014

That Council:

1. Endorses the draft Record Keeping Plan 2014 for submission to the State Records Commission (Attachment 1).

10.2.5 C&C 36 Petition Requesting Improvements to Playgrounds within Redgum Estate, Forrestfield

EN BLOC RESOLUTION OCM 137/2014

That Council:

1. Receives the petition for the improvement of two parks within the Redgum Estate, Forrestfield.
2. Receives the updates in relation to the improvements at the reserves.
3. Considers allocating \$2,000 in the 2014/15 quarterly budget review to install bench seating at Tillia Court Reserve should surplus funds be identified.

4. Considers allocating \$10,000 in the 2014/15 quarterly budget review to install perimeter fencing at Redgum Reserve should surplus funds be identified.
5. Requests the CEO to advise the petitioner, Evan Dunne in writing of Council's resolution in relation to the Redgum estate petition and the current timing of the upgrades to Tillia Court Reserve and Redgum Reserve as per Council's 10 year Financial Plan.

10.2.6 C&C 37 Complaint Handling Policy and Management Procedures

EN BLOC RESOLUTION OCM 137/2014

That Council:

1. Adopts the Complaint Handling Policy (Attachment 1)
2. Notes the Complaint Handling Management Procedures (Attachment 2)

10.2.7 C&C 38 Provision and Management of Light Vehicles– Adoption of Policy

EN BLOC RESOLUTION OCM 137/2014

That Council:

1. Revoke the previous Policy ADM9.
2. Adopts the Draft Policy – Provision and Management of Light Vehicles (Attachment 1).
3. Notes the Management Procedures for this Policy (Attachment 2).

10.2.8 C&C 39 CONFIDENTIAL - Request for review of rental amount – 38 Collins Road, Kalamunda

COMMITTEE RECOMMENDATION TO COUNCIL (C&C 39/2014)

1. That this item be deferred for consideration at the September 2014 Ordinary Council Meeting.

Moved:

Seconded:

Vote:

Voting Requirements: Simple Majority

RESOLVED OCM 149/2014

That Council:

1. Approve 'in principle' a reduction in rental to \$25,000 per annum, exclusive of GST, for a period of 12 months with effect from September 2014 to August 2015 inclusive.
2. Approve a review of the position in August 2015 based on Kalajos' financial performance for the 12 months at which time consideration will be given to either:
 - advertising the property by way of Expressions of Interest over a period of 12 months with a view to obtaining a replacement tenant to commence from September 2016; or
 - agreeing to an adjusted rental amount from January 2016 until the end of the second 5 year option on 5 December 2016 at which time the way would be open for Kalajos to apply for access to the third and final 5 year term.

Moved: **Cr Margaret Thomas**

Seconded: **Cr John Giardina**

Vote: **CARRIED UNANIMOUSLY (9/0)**

10.2.9 C&C 40 CONFIDENTIAL – Lesmurdie Tennis Club

COMMITTEE RECOMMENDATION TO COUNCIL (C&C 40/2014)

1. That this item be deferred for consideration at the September 2014 Ordinary Council Meeting.

Moved:

Seconded:

Vote:

Voting Requirements: Simple Majority

RESOLVED OCM 150/2014

That Council:

1. Notes the update contained in this Report with respect to the Lesmurdie Tennis Club redevelopment project.
2. Notes that the Lesmurdie Tennis Club paid the outstanding amount of \$24,000 for the CSRRF grant project on Monday 22 September 2014.
3. Notes that the Chief Executive Officer will now commence negotiations with the Lesmurdie Tennis Club to finalise a new lease agreement.

Moved: **Cr John Giardina**

Seconded: **Cr Geoff Stallard**

Vote: **CARRIED UNANIMOUSLY (9/0)**

10.3 CHIEF EXECUTIVE OFFICER REPORTS

Declaration of financial / conflict of interests to be recorded prior to dealing with each item.

10.3.1 Draft Monthly Financial Statements to 31 August 2014

Previous Items	N/A
Responsible Officer	Director Corporate Services
Service Area	Finance
File Reference	FIR-SRR-006
Applicant	N/A
Owner	N/A

Attachment 1 Draft Statements of Financial Activity for the months to 31 August 2014 incorporating the following:

- Statement of Comprehensive Income by Nature and Type
- Statement of Comprehensive Income by Program
- Statement of Cash Flow
- Statement of Financial Position
- Statement of Financial Activity (Nature or Type)
- Statement of Financial Activity (Statutory Reporting Program)
- Net Current Funding Position, note to financial statement
- Statement of Changes in Equity
- Reserves – Cash / Investment Backed – note to financial statement
- Investment Schedule – note to financial statement

PURPOSE

1. To provide Council with financial reports on the activity of the Shire of Kalamunda with comparison of year to date performance against adopted budget. This Statement compares the actual year to date with the budget year to date.

BACKGROUND

2. The Statement of Financial Activity (Attachment 1), incorporating various sub-statements, has been prepared in accordance with the requirement of the *Local Government Act 1995, Local Government (Financial Management) Regulations 1996* (Regulation 34).
3. As the 2013/2014 financial position is not audited, the opening funding position in the Statement of Financial Activity reflects the un-audited position. The position could be affected by final year end journals or agreed audit adjustments.

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4. The budget column reflected matches to the budget approved by Council at its meeting on 23 June 2014.

DETAILS

5. The *Local Government Act 1995* requires Council to adopt a percentage or value to be used in reporting variances against Budget. Council has adopted the reportable variances of 10% or \$50,000 whichever is greater.

Financial Commentary

Draft Statement of Comprehensive Income by Nature and Type for the months to 31 August 2014

6. This Statement reveals a net result surplus of \$33,966,442 against budget for the same period of \$32,713,650. The principal reason for the variance is that employment costs and materials and contracts are under-spent and lower than budgeted depreciation charges.

Revenue

7. Total Revenue is under budget by \$116,782. This is made up as follows:
- Rates are under budget by \$141,577. The variance is because the raising of interim rates being delayed until after the first instalment date. The variance is expected to be reduced through September and October 2014.
 - Operating Grants, Subsidies and Contributions are over budget by \$190,560. The principal reason for the variance is the advance payment from the State Government for the HACC programme.
 - Fees and Charges variance are slightly under budget by \$29,942 and remains within the reporting threshold.
 - Interest earnings are over budget by \$92,460 this is the combination of:
 - The take up of rates instalment options resulting in the recognition of interest payable for ratepayers who have opted to pay by the instalment options. This is a timing matter and will corrected in the months to come.
 - The budget will be offset by reduced interest income from deposits resulting from lower than expected cash rates when compared to Reserve Bank forecasts.
 - Other Revenue is under budget by \$5,281, the major contributing facts are infringements incurred by the successful prosecutions for dog attacks. Most "Other Revenues" comprise of fines and penalties which are difficult to predict.

Expenditure

8. Total expenses are under budget with a variance of \$1,191,202. The significant variances within the individual categories are:
- Employment Costs under budget by \$827,539 due to some vacant positions in some business units and back pay yet to be paid as a result of the enactment of the new Enterprise Bargaining Agreement (EBA).
 - Materials and Contracts is over budget by \$124,557 largely due to:
 - Licences and registration for software \$44,627, this includes the implementation of new software -ASSET;
 - Equipment hire costs for IT infrastructure \$57,216, the majority this is due to the buyout of some IT infrastructure equipment and a final payment of a lease; and
 - Roads maintenance is a higher spend by \$51,987.
 - Utilities were under budget by \$64,194. The variance is primarily due to timing differences although there have been some instances of incorrect billing by Synergy which have been queried with the utility provider.
 - Insurance expense is over budget by \$1,510 but within the reporting threshold.
 - Other expenditure is under budget by \$38,470, due to delays in budgeted works.
 - The interest expense is slightly under budget by \$3,803, which is the result of a timing difference between amounts accrued and the budget which is based on the debenture payment schedule.
 - Depreciation, although a non-cash cost, is tracking under budget, reporting a variance of \$383,263. The reason for the variance can be attributed to the buildings depreciation which has been significantly reduced with the valuation exercise undertaken at the end of the 2013/14 financial year. The expense posted is preliminary and is subject to change once the 2013/14 year end building reconciliations are completed.

Non-Operating Grants

9. No Non-Operating Grants were due in the month.

Profit / (Loss) on Asset Disposals

10. The variance of \$58,524 relates mainly to property sales. There was no movement in this area with delays on the sale of the Lewis Road property. A new buyer has made an offer to purchase subject to change in use which is currently holding up the sale process. The change in use application has been lodged with the Department of Planning and is awaiting its approval.

Draft Statement of Comprehensive Income by Program for the month to 31 August 2014

11. The overall result comments are as above and generally each Program is within accepted budget except for Recreation and Culture and Community Amenities. Major variances have been reported by Nature and Type under points 7 to 10 of this report.

Draft Statement of Financial Activity for the month to 31 August 2014

12. The results to 31 August 2014 discloses a closing surplus of \$38,995,055 made up of:
- Overall income, excluding rates, is over budget by \$199,101 which is as reported above mainly emanating from interest income.
 - Expenditure is \$1,194,534 under budget forecast with the main variance in Employment Costs and Depreciation. These have been commented on in Point 8 of this report.
 - Infrastructure projects made up of roads, drainage, footpaths, car parks and parks and ovals have incurred \$193,333 against the budget of \$1,321,308. This variance is due to a timing difference as several projects start on ground works. Significant work in the areas of design have been undertaken.
 - There is \$232,813 unspent on land and building renewal budget. This is due to delays in commencing works.
 - Rates generation is under budget and the variance of \$141,577 relates to interim rating as explained in Point 7.
13. The closing current position of \$38,995,055 is above year to date budget of \$34,891,639. This is due to reduced spend on staff costs, capital works and project based activities as reported above.

Draft Investments Schedule as at 31 August 2014

14. A total of \$28.92 million is in term deposits or online savings accounts which is comparable to previous month's balance of \$27.6 million. The increase in the cash holdings is attributed to the issuing of the 2014/15 rates notices and the subsequent payments arising. The first instalment date was 14 August 2014.

15. The above is made of:

Municipal Funds	Reserve Funds	Trust Monies
\$26,301,936	\$2,621,540	\$14,363,451 (includes amounts for Public Open Space of \$2,263,208)

16. Average interest rates on term deposits have dropped significantly as indicated previously with current investment rates dropping to between 3.0% and 3.50%. The Reserve Bank of Australia (RBA) cash rate is at 2.5% with an increasing probability of further rate cuts expected during September 2014 as business confidence and retail spending continues to lag.

17. All deposits complied with the Investment Policy requirements and are no longer than 120 days.

Draft Statement of Financial Position as at 31 August 2014

18. The commentary on the Financial Position is based on comparison of the draft August 2014 year to date actuals with August 2013 year to date actuals.

19. Net Current Assets (Current Assets less Current Liabilities) show a positive result of \$39.2 million. The un-restricted cash position has a positive balance of \$26.9 million which is comparable to the previous year's balance of \$25.3 million.

20. Trade and other receivables comprise of rates and sundry debtors totalling \$15.52 million outstanding.

The rates balance has reduced by \$11 million to \$14.96 million in the month due to the first instalment date being 14 August 2014. This represents a collection rate of 50.17% to date.

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21. Sundry debtors have reduced to \$732,104 outstanding. Of the outstanding \$0.46 million relates to developer contributions for the Forrestfield/High Wycombe Industrial Area. The other main overdue sundry debtors are:
- Lesmurdie Tennis Club \$24,000 being an overdue contribution for the clubhouse re-fit and extension. This matter will be considered as a confidential item within the September OCM.
 - Discovery Parks \$81,920, reminder notice has been sent. Amount relates to waste charges for 2013/14.
22. Fixed Assets additions are above last year's actuals to date by \$3.29 million in the asset category of infrastructure projects. Strategies are being implemented to improve the delivery of infrastructure projects. The Property, Plant and Equipment balance has not been adjusted for the Land and Buildings valuation which is currently in its final stages. However, depreciation charges have been reduced on the building in line with the draft valuation results.
23. Provisions for annual and long service leave have increased slightly from last month to \$2.3 million. It is expected this will be reduce further in the coming months as the Shire aggressively pursues a leave management plan, this will not adversely affect service delivery. The long term goal is for this liability to be maintained at a manageable level.
24. Long term borrowings are at \$6.8million. The Shire has no plans to extend its loan portfolio in 2014/2015.

STATUTORY AND LEGAL CONSIDERATIONS

25. The *Local Government Act 1995* and the *Local Government (Financial Management) Regulations 1996* require presentation of a monthly financial activity statement.

POLICY CONSIDERATIONS

26. Nil.

COMMUNITY ENGAGEMENT REQUIREMENTS

27. Nil.

FINANCIAL CONSIDERATIONS

28. Nil.

STRATEGIC COMMUNITY PLAN

Strategic Planning Alignment

29. *Kalamunda Advancing: Strategic Community Plan to 2023*

OBJECTIVE 6.8 – To ensure financial sustainability through the implementation of effective financial management, systems and plans.

Strategy 6.8.4 Provide effective financial services to support the Shire's Operations and to meet sustainability planning, reporting and accountability requirements.

SUSTAINABILITY

Social Implications

30. Nil.

Economic Implications

31. Nil.

Environmental Implications

32. Nil.

RISK MANAGEMENT CONSIDERATIONS

33. The following risks have been considered:

Risk	Likelihood	Consequence	Rating	Action / Strategy
Over-spending the budget	Possible	Major	High	<ul style="list-style-type: none">• Monthly management reports are reviewed by the Shire.• Weekly engineering reports on major projects and maintenance.• Reviewed by the Shire.
Non-compliance with Financial Regulations	Unlikely	Major	Medium	The financial report is scrutinized by the Shire to ensure that all statutory requirements are met.

OFFICER COMMENT

34. The Shire's draft financial statements as at 31 August 2014 demonstrate the Shire has managed its budget and financial resources effectively.

Voting Requirements: Simple Majority

RESOLVED OCM 138/2014

That Council:

1. Receives the draft monthly financial statements for the month to 31 August 2014, which comprises:
 - Statement of Comprehensive Income by Nature and Type.
 - Statement of Comprehensive Income by Program.
 - Statement of Cash Flow.
 - Statement of Financial Position.
 - Statement of Financial Activity (Nature or Type).
 - Statement of Financial Activity (Statutory Reporting Program).
 - Net Current Funding Position, note to financial statement.
 - Statement of Changes in Equity.
 - Reserves – Cash / Investment Backed - note to financial statement.
 - Investment Schedule – note to financial statement.

Moved: **Cr Margaret Thomas**

Seconded: **Cr Geoff Stallard**

Vote: **CARRIED UNANIMOUSLY (9/0)**

[Attachment 1](#)

Draft Statements of Financial Activity for the months to 31 August 2014 incorporating the following:

- Statement of Comprehensive Income by Nature and Type
- Statement of Comprehensive Income by Program
- Statement of Cash Flow
- Statement of Financial Position
- Statement of Financial Activity (Nature or Type)
- Statement of Financial Activity (Statutory Reporting Program)
- Net Current Funding Position, note to financial statement
- Statement of Changes in Equity
- Reserves – Cash / Investment Backed – note to financial statement
- Investment Schedule – note to financial statement

[Click HERE to go directly to the document](#)

Declaration of financial / conflict of interests to be recorded prior to dealing with each item.

10.3.2 Amendment No. 64 to Local Planning Scheme No. 3 – Lot 213 (28) Lewis Road, Wattle Grove – Additional Uses (Place of Worship, Chalets – Short Term Accommodation and Community Purpose) (Previously D&I 42, August 2014)

Previous Items	OCM 212/2013
Responsible Officer	Director Development Services
Service Area	Development Services
File Reference	PG-LPS-003/064
Applicant	Fount of Life Outreach Ministries Inc.
Owner	K and L Gorman

Attachment 1	Local Planning Strategy Key Elements Plan
Attachment 2	Submission Table

PURPOSE

- To consider final adoption of Amendment No. 64 to Local Planning Scheme No. 3 (Scheme) to include the uses 'Place of Worship', 'Chalets – Short Term Accommodation', and 'Community Purpose' under Schedule 2 (Additional Uses) of the Scheme.

BACKGROUND

- Land Details:**

Land Area:	2ha
Local Planning Scheme Zone:	Special Rural
Metropolitan Regional Scheme Zone:	Rural

Locality Plan

-



4. The subject property, and those surrounding, contain single dwellings and associated outbuildings.
5. The property contains mature vegetation throughout and is traversed by Yule Brook.
6. The property, and those surrounding, have been identified in the Shire's Local Planning Strategy (the Strategy) as being a Foothills Investigation Area with the intention of potentially being rezoned to Residential Bushland. Refer to the Local Planning Strategy Key Elements Plan (Attachment 1).
7. The proposed Residential Bushland zoning would allow for minimum lots size ranging from approximately 2,000sqm to 4,000sqm in area.
8. In December 2013, Council resolved (Resolution OCM 212/2013) to initiate Amendment No. 64 to the Scheme.

DETAILS

9. It is proposed to include the uses 'Place of Worship', 'Chalets – Short Term Accommodation', and 'Community Purpose' under Schedule 2 (Additional Uses) of the Scheme.
10. The applicant advises that they wish to establish the following activities:

Bethel Conference, learning and Worship Centre

The conference centre would be used for the purpose of community development based on social issues. The uses would include conference and counselling facilities for community organisations such as Drug Arm, Life Line, Beyond Blue, Diabetes WA, YMCA etc. The Centre would also be used as a Place of Worship.

Grace Lodge

Short term stay (limited to 3 months) for people in crisis who may require emotional, physical and mental support. The chalets would only be used by people associated with the Conference and Learning Centre and assessed for support, if needed, by external agencies. The chalets would not be used for tourist uses or be available to the public at large.

Eden Nursery

This would supply food to the community café which in turn would supply food to the on-site café and people at the Grace Lodge and Bethel Conference Centre.

This will also include a "petting farm" with domestic animals (chickens, goats, pigs etc.) to be used by visitors to the site associated with the Bethel Conference Centre.

Manna Café

This would involve the development of a commercial kitchen and dining room to be used by persons using the services of Grace Lodge and Bethel Conference Centre. It would also be used for community education purposes to teach people food and nutrition skills.

11. Essentially the uses would be limited to those persons associated with the Ministries and not available to the broader public.
12. If the amendment is approved by the Minister for Planning a planning application will be required to be submitted to, and approved by, the Shire prior to commencing any development of the site.

STATUTORY AND LEGAL CONSIDERATIONS

13. The *Town Planning Regulations 1967* establish procedures relating to amendments to local planning schemes. The ultimate determination on the proposed amendment will rest with the Minister for Planning.
14. Under clause 4.2.2 (Objectives of the Zones – Rural) an objective of the Special Rural zone is to retain amenity and the rural landscape in a manner consistent with orderly and proper planning.
15. Under Schedule 1 (Land Use Definitions) of the Scheme, the proposed uses are defined as follows:

"Chalet" means an individual self-contained unit usually comprising cooking facilities, ensuite, living area and one or more bedrooms designed to accommodate short-stay guests, forming part of a tourism facility and where occupation by any person is limited to a maximum of three months in any 12-month period."

"Community Purpose" means the use of premises designed or adapted primarily for the provision of educational, social or recreational facilities or services by organisations involved in activities for community benefit."

"Place of Worship" means premises used for religious activities such as a church, chapel, mosque, synagogue and temple."

POLICY CONSIDERATIONS

Draft State Planning Policy 3.7 – Planning for Bushfire Risk Management

16. The objective of Draft State Planning Policy 3.7 – Planning for Bushfire Risk Management (Draft SPP 3.7) is to ensure development and land use proposals take into account bushfire protection requirements and include specified fire protection measures, especially over land that has, or will have, a moderate or extreme bushfire hazard level.

-
17. As part of a planning application for the proposed uses, a bushfire hazard assessment will be required to be undertaken by the applicant. If it is found the proposals falls within a moderate or extreme bushfire risk area then the requirements of Draft SPP 3.7 and the Western Australian Planning Commission's Bushfire Protection Guidelines compliance will be required.

COMMUNITY ENGAGEMENT REQUIREMENTS

18. The proposal was advertised for 42 days in accordance with the provisions of the *Town Planning Regulations 1967*, which involved local public notice in a paper circulating the District, the proposal be advertised to nearby landowners and has been referred to relevant government agencies.
19. During the advertising period one objection, two non-objections and one submission which provided comment on the proposal were received. Refer to the Submission Table (Attachment 2).
20. The Department of Water (DOW) objected to the proposal as it requires a Biophysical Assessment be undertaken to determine the appropriate buffer to Yule Brook. This is required to ensure protection of stream bank stability and the retention of native vegetation.
21. If the amendment is approved the Biophysical Assessment will be provided as part of the planning application.

FINANCIAL CONSIDERATIONS

22. Nil.

STRATEGIC COMMUNITY PLAN

Strategic Planning Alignment

23. *Kalamunda Advancing: Strategic Community Plan to 2023*

OBJECTIVE 4.1 - To ensure the Shire's development is in accord with the Shire's statutory and legislative obligations and accepted urban design planning standards.

Strategy 4.3.1 Provide efficient building and development approval services to the community.

SUSTAINABILITY

Social Implications

24. The applicant currently provides charitable and not for profit activities in Forrestfield and High Wycombe which would be replicated at the subject site should the amendment proceed.

Economic Implications

25. Nil.

Environmental Implications

26. Nil. If the amendment is approved it will be a requirement that a Biophysical Assessment be provided as part of the planning application.

RISK MANAGEMENT CONSIDERATIONS

27.

Risk	Likelihood	Consequence	Rating	Action/Strategy
Council may resolve to adopt the amendment	Possible	Insignificant	Low	Make sure Council is aware that the proposal is compliant with the Scheme and environmental concerns raised by the DOW will be addressed at the planning application stage.

OFFICER COMMENT

28. With the exception of the short stay accommodation use, the proposed uses are fundamentally currently undertaken by the applicant in the Shire. The intent is to consolidate these uses on one site.
29. If the amendment is approved a Biophysical Assessment will be required to be submitted at the planning application stage to address concerns raised by the DOW. Currently the final location of any proposed buildings is unknown.
30. The uses are considered to be compatible within the rural environs in which the property is located. If development occurs, as anticipated by the amendment, it is unlikely to have a detrimental impact of future strategic planning of the locality.
31. At the Ordinary Council Meeting on 25 August 2014 it was resolved to defer adoption of Amendment 64 to Local Planning Scheme No 3 until the September 2014 Ordinary Council Meeting to enable the provision of a report on the issues raised by Peter D Webb and Associates in their correspondence of 19 August 2014 to the Chief Executive Officer.

Voting Requirements: Simple Majority

RESOLVED OCM 139/2014

That Council:

1. Adopts the amendment to Local Planning Scheme No. 3 without modification, in accordance with the following:

PLANNING AND DEVELOPMENT ACT 2005
RESOLUTION DECIDING TO AMEND A LOCAL PLANNING SCHEME
SHIRE OF KALAMUNDA
LOCAL PLANNING SCHEME NO. 3
AMENDMENT NO. 64

Resolved that Council, in pursuance of Part 5 of the *Planning and Development Act 2005*, amends the above Local Planning Scheme as follows:

- (a) Modify Schedule 2 (Additional Uses) of the Scheme by including the following provision:

NO.	DESCRIPTION OF LAND	ADDITIONAL USE	CONDITIONS
A 50	Lot 213 (28) Lewis Road, Wattle Grove	Community Purpose Place of Worship Chalets	The uses are not permitted unless approval is granted by the Local Government ("D").

2. Amends the Scheme text and Zoning Map accordingly.
3. Duly executes the Amendment documents and forwards them to the Minister for Planning requesting final approval be granted.

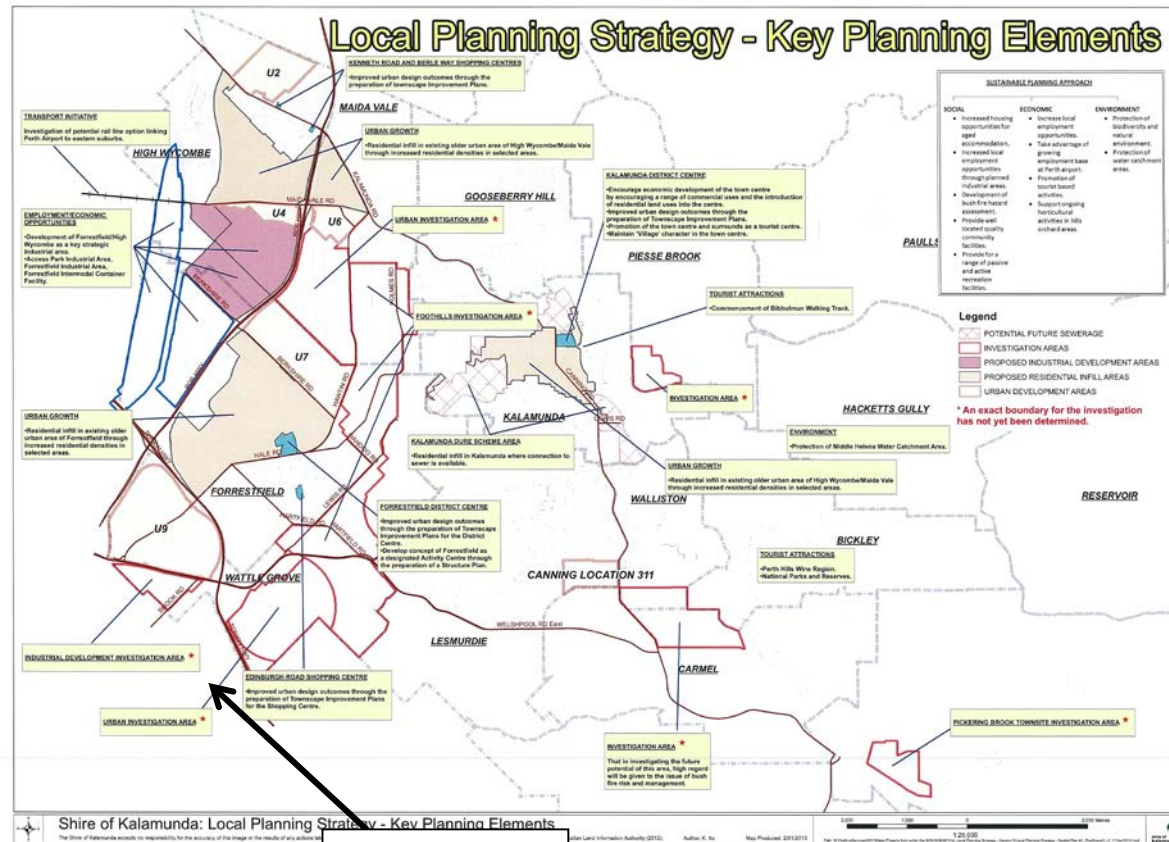
Moved: **Cr Justin Whitten**

Seconded: **Cr Allan Morton**

Vote: **CARRIED UNANIMOUSLY (9/0)**

Attachment 1

Amendment No. 64 to Local Planning Scheme No. 3 – Lot 213 (28) Lewis Road, Wattle Grove – Additional Uses (Place of Worship, Chalets – Short Term Accommodation and Community Purpose) Local Planning Strategy Key Elements Plan



**SUBJECT
LOT**

Attachment 2

Amendment No. 64 to Local Planning Scheme No. 3 – Lot 213 (28) Lewis Road, Wattle Grove –
Additional Uses (Place of Worship, Chalets – Short Term Accommodation and Community Purpose)

Submission Table

Submission		Details	Comments
1.	Department of Water 7 Ellam Street VICTORIA PARK WA 6100	<p>Objection.</p> <p>The Department of Water requires that a Biophysical Assessment is undertaken, in accordance with the Department's Operational Policy 4.3: Identifying and Establishing Waterway's Foreshore Areas, to determine the appropriate buffer to the waterway, to ensure protection of stream bank stability and the retention of native vegetation. This assessment will need to be undertaken prior to the approval of any development over the subject site. This is to ensure that the waterway buffer is appropriately incorporated into the subdivision design.</p>	A Biophysical Assessment will be required to be submitted at the planning application stage if the amendment is approved as currently it is not known where the final location of any proposed buildings will be. This will be referred to the Department of Water as part of the planning application's assessment.
2.	K Sinclair 5 Earlsferry Court BASSENDEAN WA 6054	Non-objection.	Noted.
3.	Department of Health PO Box 8172 PERTH BC WA 6849	<p>a) All developments are required to connect to scheme water and reticulated sewerage as required by the Government Sewerage Policy – Perth Metropolitan Region.</p> <p>b) The Shire should use this opportunity to minimise potential negative impacts of the mixed density development such as noise, odour, light and other lifestyle activities. To</p>	<p>a) Noted.</p> <p>b) Such measures will be taken into consideration at the planning and building application stages if the</p>

Submission		Details	Comments
		<p>minimise adverse impacts on the residential component the Shire could consider incorporation of additional sound proofing/insulation, double glazing on windows, or design aspects related to location of air conditioning units and other appropriate building/construction measures.</p> <p>c) All public related developments (Community Purpose and Place of Worship) to comply with the provisions of the Health Act 1911, related regulations and guidelines, and in particular Part VI – Public Buildings.</p>	<p>amendment is approved by the Minister.</p> <p>c) Noted.</p>
4.	Water Corporation PO Box 100 LEEDERVILLE WA 6902	The Water Corporation has reviewed the amendment and has no concerns.	Noted.

Declaration of financial / conflict of interests to be recorded prior to dealing with each item.

10.3.3 Design of Kalamunda Road Duplication from Newburn Road to Abernethy Road – 2014/15 Budget Amendment

Previous Items	N/A
Responsible Officer	Director Infrastructure Services
Service Area	Infrastructure Operations
File Reference	EG-RDM-014
Applicant	N/A
Owner	N/A

PURPOSE

1. To advise Council of the unsuccessful grant application for the Bike Path in Welshpool Road totalling \$190,802.
2. To approve the reallocation of municipal funds from the Principal Shared Path (PSP) grant application project (Job No 2102) on Welshpool Road and West of Bruce Road to Tonkin Highway, to the Kalamunda Road duplication project, Abernethy Road to Fernan Street.
3. To extend the design scope from Fernan Street to the intersection of Kalamunda Road and Newburn Road.

BACKGROUND

4. In 2011/2012 Council approved an application to the Metropolitan Regional Road Group (MRRG) for funds for the duplication of Kalamunda Road from Abernethy Road to Fernan Street.
5. The MRRG grant program allows local authorities to receive 40% of the grant up-front and in 2011/2012 the Shire received \$666,666 from the MRRG for this project. The \$666,666 was accounted as grants revenue in 2011/2012 financial and shown in the year end general surplus balance. At that time the total cost of the project was estimated at \$2.5 million.
6. In 2011/2012, 2012/2013 and 2013/2014 works have been undertaken to the value of \$24,807.36. This included undertaking a concept design and commencing the identification of utility service locations and constraints.
7. The remaining balance of the initial payment from MRRG is \$641,858.64. No municipal funds have been spent on the project to date.
8. In order to expend any more funds against this balance, the Shire needs to allocate its one third share of the first 40% claim into the 2014/2015 budget to commence the detail design stage of the project. That will require an allocation of \$222,222.

9. In working up the concept layout of the Kalamunda Road duplication, the following issues have arisen:
- Land acquisition costs will need re-assessment based on current market rates;
 - Service relocation costs can only be confirmed with a detail design for the service authorities to assess;
 - Traffic and safety issues have been identified in the operation of the road network between Fernan Road and Newburn Road, including access to the High Wycombe Village Shopping Centre and the operation of the existing roundabout at the Kalamunda/Newburn Road intersection.
10. There are significant economies to be gained by extending the design work for the original project scope to include the section of Kalamunda Road from Fernan Road to Newburn Road. It is an appropriate time for the Shire to revisit the scope, total cost and timing of the project.

**Perth Bicycle Network – Principle Shared Path (PSP) Grant Application Project
Welshpool Road, West of Bruce Road to Tonkin Highway**

11. As part of MRRG grant applications for 2014/2015 Council approved the application for funding of the above PSP project, which was unsuccessful.

DETAILS

12. The project staging is proposed to be:
1. Undertake detailed design work including location of services within the design area.
 2. Identify any land acquisitions and land tenure issues.
 3. Quantify and estimate the cost of service relocation and land requirements.
 4. Seek grants or other funding for land acquisitions and undertake the land acquisitions in advance of construction.
 5. Undertake service relocations prior to construction.
 6. Construct the road and associated works.
13. The Shire received quotes for the detailed design and utility service locations during late 2013/14 and early 2014/15.
- | | |
|---------------------------------------|------------------|
| Design contract value | \$133,279 |
| Service location & traffic management | \$50,125 |
| Contract Management | \$5,012 |
| Overhead allocation | \$30,110 |
| Total | \$218,528 |
14. The above detailed design cost covers the extended scope from Fernan Road to Newburn Road roundabout.
15. Extensions of scope or time frame for MRRG funded projects requires negotiation and agreement with MRRG.

STATUTORY AND LEGAL CONSIDERATIONS

16. In accordance with the requirements of the *Local Government Act 1995 s.6.8 (1)(b)*
Expenditure from municipal fund not included in annual budget
(1) A local government is not to incur expenditure from its municipal fund for an additional purpose except where the expenditure –
(b) is authorised in advance by resolution
17. The Shire has accepted funds from the MRRG for this project. If the project is cancelled, or there is a significant change in scope, these grant funds would need to be returned.

POLICY CONSIDERATIONS

18. Nil.

COMMUNITY ENGAGEMENT REQUIREMENTS

19. Public consultation will be required as the detailed design develops.

FINANCIAL CONSIDERATIONS

20. The Shire has received advice from the Perth Bike Network (PBN) that the grant submission for a Bike Path in Welshpool Road was not successful. In the 2014/15 budget, Council allocated \$190,802 of municipal funds towards this project. This allocation is proposed to be transferred to the Kalamunda Road project to cover the municipal funds required for 2014/2015.
21. The cost of undertaking the design and service location work for the duplication of Kalamunda Road from Newburn Road to Abernethy Road is \$218,528, including overheads. There may be other costs associated with the design such as specialist advice on land acquisition, legal matters or cost estimates that are yet unknown. There may be redesign costs following the public consultation.
22. The municipal funds required will be utilised from re-allocation of Job No. 2102 to the amount of \$190,802 leaving a slight reduction of the closing reported budgetary closing surplus position by \$31,420 to make up the \$222,222 required as the one third contribution.

STRATEGIC COMMUNITY PLAN

Strategic Planning Alignment

23. *Kalamunda Advancing: Strategic Community Plan to 2023*

OBJECTIVE 4.7 – To ensure the selection, maintenance, inspection, renewal and disposal of all categories of assets within the Shire are managed efficiently.

Strategy 4.7.1 Maintain, refurbish or upgrade existing infrastructure, including public buildings, parks, reserves, local roads, footpaths, cycle ways, verges and drainage networks to encourage increased utilisation and extension of asset life.

OBJECTIVE 6.8 - To ensure financial sustainability through the implementation of effective financial management, systems and plans.

Strategy 6.8.3 Access maximum levels of grant funding available through government and non-government sources.

Strategy 6.8.4 Provide effective financial services to support the Shire's operations and to meet sustainability planning, reporting and accountability requirements.

SUSTAINABILITY

Social Implications

24. The duplication of Kalamunda Road from Roe Highway to Abernethy Road has long been identified as a critical improvement of the road network, to improve accessibility and ease congestion.

25. The duplication of Kalamunda Road is also linked to the long term vision for the road network which includes grade separation of the intersection of Roe Highway and Kalamunda Road. The Metropolitan Regional Scheme (MRS) identifies Kalamunda Road as a four lane road reserve width.

26. The duplication of Kalamunda Road from Newburn Road to Abernethy Road will improve accessibility for the residential areas in High Wycombe, through the improvement of several intersections where community concern about vehicle and pedestrian safety has been raised, including:

- Kalamunda Road at Foxton Boulevard.
- Kalamunda Road at Stirling Crescent.
- The entry to the Hillview Lifestyle Village.

Economic Implications

27. The duplication of Kalamunda Road between Newburn Road and Abernethy Road is one stage in the duplication of this section of road between Roe Highway and Abernethy Road. This has been identified as a key part of the road network and improvements will allow more efficient transport in this area.

28. These improvements have been shown to have direct and indirect economic benefits including:

1. Reduction in transport costs.
2. Reduction in commuting time.
3. Improved amenity.

Environmental Implications

29. Nil.

RISK MANAGEMENT CONSIDERATIONS

30.

Risk	Likelihood	Consequence	Rating	Action/Strategy
That the project is cancelled, requiring the return of funds to MRRG	Rare	Major	High	Council to recommend the continuation of the design work and negotiate with MRRG on project time frame.
Costs of land acquisition and service relocation costs could be higher than estimated	Likely	Major	High	<ul style="list-style-type: none"> • Obtain valuations from reputable valuer and initiate discussions with affected landowners to obtain a better estimate of costs; • Request Utility companies to commence initial design works and provide an estimate on costs • Seek additional funding from MRRG for potential blow outs

OFFICER COMMENT

31. Recent preliminary design work has identified that extending the scope of the project to include the intersection of Kalamunda Road and Newburn Road would be appropriate to address the traffic and pedestrian safety issues that have to be considered. The extension of scope or time on any project funded by MRRG is subject to gaining MRRG agreement.

32. Due to the extended time that has elapsed between the Council approving the original scope and the recent design work, a Council briefing session was conducted on 15 September 2014 to brief Council on the project constraints, benefits and proposed revised scope. The Shire can then engage with MRRG on any revisions proposed to scope or time frame.

Two outcomes from the briefing session were:

- To begin discussions with the WA Planning Commission regarding the State resuming the necessary land for the expansion of the existing Kalamunda Road reserve to match the reserve identified in the MRS.
- To include Kalamunda Road in the transport planning study of the Forrestfield area as a result of the proposed rail terminal in Forrestfield. In particular, the traffic volume impact on both Berkshire Road and Kalamunda Road.

33. A condition of MRRG funding grants is that the local authority provides one third of the funding for each stage of the project. In order to draw down on the claim for the first 40% of the project grant, the local authority has to include in its budget the sum of \$222,222.

34. The municipal funding from the unsuccessful application for the Welshpool Road PSP can be reallocated to cover the one third contribution required for the Kalamunda Road Duplication Project, plus a small amount from general surplus.

A Councillor proposed an additional point to be included in the recommendation and a change to the wording of point 2. As these changes did not significantly change the intention of the recommendation the Chair accepted the alternative recommendation.

Voting Requirements: Absolute Majority

RECOMMENDATION

That Council:

1. Authorises the scope of design to extend from Fernan Street to the intersection of Kalamunda Road and Newburn Street.
2. Pursuant to section 6.8 (1) (b) of the *Local Government Act 1995*, approves an amendment to the 2014/15 Budget to facilitate reallocation of municipal funds by transferring:
 - \$190,802 from the Welshpool Road, Perth Bike Network Project; and
 - \$31,420 from the general surplus,to the Kalamunda Road Duplication Project to cover the local authority Metropolitan Regional Road Group project share of the design costs in 2014/15 as part of the quarterly review.

3. Authorises the commencement of discussions with the Western Australian Planning Commission on land acquisition by the State for the expansion of the existing Kalamunda Road reserve width to match the Metropolitan Regional Scheme requirement for duplication.
4. Authorises the inclusion of Kalamunda Road in the transport planning study of the Forrestfield area to determine future traffic impacts on both Kalamunda Road and Berkshire Road.

Moved:

Seconded:

Vote:

Voting Requirements: Absolute Majority

RESOLVED OCM 140/2014

That Council:

1. Authorises the scope of design to extend from Fernan Street to the intersection of Kalamunda Road and Newburn Street.
2. Pursuant to section 6.8 (1) (b) of the *Local Government Act 1995*, approves an amendment to the 2014/15 Budget to facilitate reallocation of municipal funds by transferring:
 - \$190,802 from the Welshpool Road, Perth Bike Network Project; and
 - \$31,420 from the general surplus,to the Kalamunda Road Project to cover the local authority Metropolitan Regional Road Group project share of the design costs in 2014/15 as part of the quarterly review.
3. Authorises the commencement of discussions with the Western Australian Planning Commission on land acquisition by the State for the expansion of the existing Kalamunda Road reserve width to match the Metropolitan Regional Scheme requirement for duplication.
4. Authorises the inclusion of Kalamunda Road in the transport planning study of the Forrestfield area to determine future traffic impacts on both Kalamunda Road and Berkshire Road.
5. Authorises the Chief Executive Officer to undertake an Origin Destination Study for Kalamunda Road.

Moved: **Cr Dylan O'Connor**

Seconded: **Cr Andrew Waddell**

Vote: **CARRIED UNANIMOUSLY/ABSOLUTE MAJORITY (9/0)**

Declaration of financial / conflict of interests to be recorded prior to dealing with each item.

10.3.4 Write off of Balance on Maida Vale Netball Club Self Supporting Loan Debt

Previous Items	OCM 44/2014
Responsible Officer:	Director Corporate Services
Service Area	Finance
File Reference	RD-03/020K
Applicant	N/A
Owner	N/A

Attachment 1 Repayment Schedule of Debenture Loan Debt for Self-Supporting Loan to Maida Vale Netball Club

PURPOSE

1. To approve the write off of the debt owed by the Maida Vale Netball Club representing the balance of the principal on the self-supporting loan.

BACKGROUND

2. The Maida Vale Netball Club informed the Shire in writing on 27 February 2014 that the club has no members or committee and has now been closed. All assets including funds in the clubs bank account would be transferred to the Shire in final payment of its debt for the next instalment of the self-supporting loan. The matter was referred to Council in March 2014 (OCM 44/2014) and deferred to allow for further information and preparation of a new policy on Self Supporting Loans.

DETAILS

3. The balance of funds in the Maida Vale Netball Association Bank Account has now been received to offset the current debt. This however leaves a debtors balance on the outstanding principal for the self-supporting loan. The external auditors require this loan balance to be written off which will remain an outstanding item for finalisation of the audit of the 30 June 2014 Shire's Financial Statements.
4. A new policy on Self Supporting Loans has been prepared and will be submitted to Council for adoption in the near future.

STATUTORY AND LEGAL CONSIDERATIONS

5. Section 6.12(c) of the *Local Government Act 1995*

POLICY CONSIDERATIONS

6. Nil.

COMMUNITY ENGAGEMENT REQUIREMENTS

7. Nil.

FINANCIAL CONSIDERATION

8. The write off will have a direct impact on the Statement of Comprehensive Income of \$ 85,743.89 and will reduce other receivables in the Statement of Financial Position (balance sheet) by this amount.

STRATEGIC COMMUNITY PLAN

Strategic Planning Alignment

9. *Kalamunda Advancing: Strategic Community Plan to 2023*

6.8.4 Provide effective financial services to support the Shire's operations to meet sustainable planning, reporting and accountability requirements.

SUSTAINABILITY

Social Implications

10. Nil.

Economic Implications

11. Nil.

Environmental Implications

12. Nil.

RISK MANAGEMENT CONSIDERATIONS

13.

Risk	Likelihood	Consequence	Rating	Action/Strategy
The write off may create a precedence for other debtors not to pay their debts to the Shire.	Unlikely	Minor	Low	Shire's administration have a robust debt collection strategy in place and where necessary, take legal action to ensure its debts are settled.

OFFICER COMMENT

14. The Shire has complied with Council's request and will be presenting the Self Supporting Loan Policy to Council within the next two months.

15. In order to finalise the 30 June 2014 Financial Statements, the external auditors have requested the balance of the debt owed by the Maida Vale Netball Association representing the principal of the outstanding loan as per the debenture loan schedule (Attachment 1) to be written off. The liability for the loan will continue to be met over the remaining term of the loan by the Shire.

Voting Requirements: Simple Majority

RESOLVED OCM 141/2014

That Council:

1. Pursuant to S6.12(1)(c) of the *Local Government Act 1995* authorises the write off of the total debt owed by the Maida Vale Netball Association of \$85,743.89 at June 2014.

Moved: **Cr Dylan O'Connor**

Seconded: **Cr Margaret Thomas**

Vote: **CARRIED UNANIMOUSLY (9/0)**

Attachment 1

WESTERN AUSTRALIAN
TREASURY CORPORATION
Loan Repayment Schedule

Client: Shire of Kalamunda - Loan 216
Interest Rate: 6.4700 % p.a. (Semi-Annual Compounding)
3.2350 % effective Semi-Annual
Lending Date: 10 November 2003
Maturity Date: 10 November 2028
Lending Amount: \$111,000.00
Schedule Basis: 50 Semi-Annual repayments

Payment Date	Capital Outstanding	Capital Repayment	Interest Payment	Total Payment
10 May 2004	\$110,082.33	\$917.67	\$3,590.85	\$4,508.52
10 Nov 2004	\$109,134.97	\$947.36	\$3,561.16	\$4,508.52
10 May 2005	\$108,156.97	\$978.00	\$3,530.52	\$4,508.52
10 Nov 2005	\$107,147.33	\$1,009.64	\$3,498.88	\$4,508.52
10 May 2006	\$106,105.03	\$1,042.30	\$3,466.22	\$4,508.52
10 Nov 2006	\$105,029.01	\$1,076.02	\$3,432.50	\$4,508.52
10 May 2007	\$103,918.18	\$1,110.83	\$3,397.69	\$4,508.52
10 Nov 2007	\$102,771.41	\$1,146.77	\$3,361.75	\$4,508.52
10 May 2008	\$101,587.55	\$1,183.86	\$3,324.66	\$4,508.52
10 Nov 2008	\$100,365.39	\$1,222.16	\$3,286.36	\$4,508.52
10 May 2009	\$99,103.69	\$1,261.70	\$3,246.82	\$4,508.52
10 Nov 2009	\$97,801.17	\$1,302.52	\$3,206.00	\$4,508.52
10 May 2010	\$96,456.52	\$1,344.65	\$3,163.87	\$4,508.52
10 Nov 2010	\$95,068.37	\$1,388.15	\$3,120.37	\$4,508.52
10 May 2011	\$93,635.31	\$1,433.06	\$3,075.46	\$4,508.52
10 Nov 2011	\$92,155.89	\$1,479.42	\$3,029.10	\$4,508.52
10 May 2012	\$90,628.61	\$1,527.28	\$2,981.24	\$4,508.52
10 Nov 2012	\$89,051.93	\$1,576.68	\$2,931.84	\$4,508.52
10 May 2013	\$87,424.24	\$1,627.69	\$2,880.83	\$4,508.52
10 Nov 2013	\$85,743.89	\$1,680.35	\$2,828.17	\$4,508.52
10 May 2014	\$84,009.18	\$1,734.71	\$2,773.81	\$4,508.52
10 Nov 2014	\$82,218.36	\$1,790.82	\$2,717.70	\$4,508.52
10 May 2015	\$80,369.60	\$1,848.76	\$2,659.76	\$4,508.52
10 Nov 2015	\$78,461.04	\$1,908.56	\$2,599.96	\$4,508.52
10 May 2016	\$76,490.73	\$1,970.31	\$2,538.21	\$4,508.52
10 Nov 2016	\$74,456.69	\$2,034.04	\$2,474.48	\$4,508.52
10 May 2017	\$72,356.84	\$2,099.85	\$2,408.67	\$4,508.52
10 Nov 2017	\$70,189.06	\$2,167.78	\$2,340.74	\$4,508.52
10 May 2018	\$67,951.16	\$2,237.90	\$2,270.62	\$4,508.52
10 Nov 2018	\$65,640.86	\$2,310.30	\$2,198.22	\$4,508.52

Cont...

Client: Shire of Kalamunda - Loan 216
 Interest Rate: 6.4700 % p.a. (Semi-Annual Compounding)
 3.2350 % effective Semi-Annual
 Lending Date: 10 November 2003
 Maturity Date: 10 November 2028
 Lending Amount: \$111,000.00
 Schedule Basis: 50 Semi-Annual repayments

Payment Date	Capital Outstanding	Capital Repayment	Interest Payment	Total Payment
10 May 2019	\$63,255.82	\$2,385.04	\$2,123.48	\$4,508.52
10 Nov 2019	\$60,793.63	\$2,462.19	\$2,046.33	\$4,508.52
10 May 2020	\$58,251.78	\$2,541.85	\$1,966.67	\$4,508.52
10 Nov 2020	\$55,627.71	\$2,624.07	\$1,884.45	\$4,508.52
10 May 2021	\$52,918.75	\$2,708.96	\$1,799.56	\$4,508.52
10 Nov 2021	\$50,122.15	\$2,796.60	\$1,711.92	\$4,508.52
10 May 2022	\$47,235.08	\$2,887.07	\$1,621.45	\$4,508.52
10 Nov 2022	\$44,254.61	\$2,980.47	\$1,528.05	\$4,508.52
10 May 2023	\$41,177.73	\$3,076.88	\$1,431.64	\$4,508.52
10 Nov 2023	\$38,001.31	\$3,176.42	\$1,332.10	\$4,508.52
10 May 2024	\$34,722.13	\$3,279.18	\$1,229.34	\$4,508.52
10 Nov 2024	\$31,336.87	\$3,385.26	\$1,123.26	\$4,508.52
10 May 2025	\$27,842.10	\$3,494.77	\$1,013.75	\$4,508.52
10 Nov 2025	\$24,234.27	\$3,607.83	\$900.69	\$4,508.52
10 May 2026	\$20,509.73	\$3,724.54	\$783.98	\$4,508.52
10 Nov 2026	\$16,664.70	\$3,845.03	\$663.49	\$4,508.52
10 May 2027	\$12,695.28	\$3,969.42	\$539.10	\$4,508.52
10 Nov 2027	\$8,597.45	\$4,097.83	\$410.69	\$4,508.52
10 May 2028	\$4,367.06	\$4,230.39	\$278.13	\$4,508.52
10 Nov 2028	\$0.00	\$4,367.06	\$141.27	\$4,508.33
Totals:		\$111,000.00	\$114,425.81	\$225,425.81

Declaration of financial / conflict of interests to be recorded prior to dealing with each item.

10.3.5 Membership Fees - Western Australian Local Government Association

Previous Items	OCM 47/2013 OCM 150/2013 OCM 130/2014 – August 2014
Responsible Officer	Chief Executive Officer
Service Area	Office of the CEO
File Reference	
Applicant	N/A
Owner	N/A
Attachment 1	Details of Western Australian Local Government Association (WALGA) Conflicting Motions
Attachment 2	Letter from WALGA in response to Council Motion OCM 130/214

PURPOSE

1. To consider revoking Resolution of Council OCM 130/2014 passed at the meeting of 25 August 2014.

BACKGROUND

2. The motion passed at the Ordinary Council Meeting on 25 August 2014 arose as a result of conflict between motions passed by the WA Local Government Association (WALGA) State Council and at the WALGA Annual General Meeting on 6 August 2014 with respect to providing the opportunity for communities to access the Poll Provisions of the Local Government Act 1995 (the Act) **(Attachment 1)** provides full details of the conflicted motions.

DETAILS

3. The Chief Executive Officer advised WALGA of Council's decision on 8 September 2014 and subsequently received a response from WALGA in relation to this matter and concerns expressed from the sector in relation to the governance structure of the Association. **(Attachment 2)**
4. In summary the WALGA response states that
The AGM item was in fact in line with WALGA's policy position on the poll provisions that was endorsed at the July State Council. The only difference in the AGM item compared to State Councils policy position is that the AGM motion has requested more work be carried out on determining what "significantly affected" means in determining if a poll should be required for a Local Government that is not going to be abolished. Both the AGM item and State Councils current policy position are aimed at strengthening the poll provisions.

STATUTORY AND LEGAL CONSIDERATIONS

5. Nil.

POLICY CONSIDERATIONS

6. Nil

COMMUNITY ENGAGEMENT REQUIREMENTS

7. Nil.

FINANCIAL CONSIDERATIONS

8. The Shire would need to maintain Full Member status to remain entitled to access a range of services and substantial dividends that the LGISWA Scheme members receive from year-end surpluses.

For the current period, for the Shire of Kalamunda, that comprises a Dividend payment of \$61,409.10 and funding for risk management expenses of \$40,738.73 as well as a \$17,000 per annum (3 year allocation) entitlement for health and wellbeing services for the Shire's staff and elected members.

STRATEGIC COMMUNITY PLAN

Strategic Planning Alignment

9. *Kalamunda Advancing: Strategic Community Plan to 2023*
- Objective 6.7 To provide a business environment that strives for continuous improvement through the use of highly effective business systems and processes.
- Strategy 6.7.2 Regularly review services, business processes and standards offered by the Shire to ensure they meet community needs.
- Objective 6.8 To ensure financial sustainability through the implementation of effective financial management, systems and plans.
- Strategy 6.8.4 Provide effective financial services to support the Shire's operations and to meet sustainability planning, reporting and accountability requirements.

SUSTAINABILITY

Social Implications

10. Nil.

Economic Implications

11. Nil.

Environmental Implications

12. Nil.

RISK MANAGEMENT CONSIDERATIONS

13.

Risk	Likelihood	Consequence	Rating	Actions/Strategy
The Shire may be expelled from WALGA	Likely	Minor	Low	The Shire may need to utilize other service providers such as State supply panels. The Shire would need to undertake it own advocacy which it has been doing to date effectively
The Shire may incur additional insurance costs.	Likely	Major	High	Shire will be covered for 2014/2015 year as part premium paid. Failure to pay in future year will incur substantial increase in premiums. The Shire can consider seeking alternative coverage through other brokerage firms.

OFFICER COMMENT

14. Whilst WALGA membership provides a range of benefits and access to a number of services at discounted prices, it is considered the most significant risk associated with being disassociated from WALGA is the benefits derived through the Local Government Insurance Scheme (LGIS). LGIS was set up to serve and consolidate benefits for Local Government and the discounts and other benefits derived are perceived to be significant by the industry at large.

Furthermore LGIS claims processing is seen, by the local government sector, to be relatively effective. This effectiveness is difficult to quantify without undertaking market testing with other brokers.

15. It should be noted that in the response from WALGA it is stated that the Shire, for its membership, gains benefits to the extent of \$1.3 million dollars however this figure is not substantiated as to how the \$1.3 mil in benefits is being quantified.

Voting Requirements: Absolute Majority

RESOLVED OCM 142/2014

That Council:

1. Revoke resolution *OCM 130/2014*:
That Council authorise the CEO to withhold payments on all WALGA accounts, except LGIS accounts and subject to confirmation that non-payment of subscriptions does not invalidate Councils insurance policies, pending WALGA State Council accepting in full the City of Canning motion passed at the WALGA AGM or WALGA State Council rescinding its Item 5.1.2 as passed on 2 July 2014.
2. Authorise the payment by the Chief Executive Officer of the Western Australian Local Government Association membership for the 2014/2015 year.
3. Request the CEO to monitor on an annual basis, its subscription to the programs and services available as a member of WALGA to ensure value is being derived.

Moved: **Cr Frank Lindsey**

Seconded: **Cr Justin Whitten**

Vote: **CARRIED UNANIMOUSLY/ABSOLUTE MAJORITY (9/0)**

Attachment 1

Details of Motions by WALGA State Council and WALGA AGM that are in conflict

The Western Australian Local Government Association (WALGA) State Council Agenda of 2 July 2014 containing Item 5.1.2 Local Government Poll provisions was duly adopted by State Council as follows:- .

That WALGA:

1. *Reaffirm its policy position opposing forced amalgamations and supporting voluntary reform; and*
2. *Adopt, and advocate for, a policy position that the poll provisions contained in the Local Government Act 1995 should be amended so that Electors of a Local Government where 1 or more Local Governments will be abolished or significantly affected by a boundary change proposal are able to demand a poll on the proposal, with 'significantly affected' being specifically defined as causing a fifty percent variation in:*
 - i. *Population; or,*
 - ii. *Rateable properties; or,*
 - iii. *Revenue.*

RESOLUTION 55.3/2014 CARRIED

At the WALGA Annual General Meeting on 6 August 2014 the City of Canning move a motion 4.7B as follows:-

That this Annual General Meeting, recognising the current approach by the State Government to the manipulation of the principles of the 'Dadour' poll provisions;

- (a) *endorse WALGA's position of providing community access to the poll provisions where 1 or more districts are to be abolished rather than the 2 or more districts as currently provided for in the Local Government Act 1995;*
- (b) *endorse WALGA's proposed extension of the poll provisions to significant boundary adjustments subject to any associated criteria and any percentages being agreed to by a majority of all local governments in Western Australia, and*
- (c) *reaffirm as policy, that WALGA is opposed to the removal or dilution of the 'Dadour' poll provisions including the temporary dilution or removal of those provisions.*

SUPPORTED 194/32

WALGA's resolution carried at the State Council Meeting held on 2 July 2014 is now incongruent with the view of the sector in such a way as it defeats the intention of the Motion 4.7B passed by an overwhelming majority at the AGM held on 6 August 2014.

Cr Sue Bilich presented a motion to the Ordinary Meeting of Council on 25 August 2014. This motion was accepted and adopted.

That Council (OCM 130/2014) authorise the CEO to withhold payments on all WALGA accounts, except LGIS accounts and subject to confirmation that non-payment of subscriptions does not invalidate Councils insurance policies, pending WALGA State Council accepting in full the City of Canning motion passed at the WALGA AGM or WALGA State Council rescinding its Item 5.1.2 as passed on 2 July 2014.

On Wednesday 3rd September 2014 State Council resolved in relation to the motion 4.7B

That Annual General Meeting Motions:

1. *4.6B & 4.7B Part (a) be noted as in accordance with Association Policy;*
2. *4.1, 4.2, 4.3, 4.4 and 4.5 be noted and forwarded to the relevant WALGA business unit for consideration;*
3. *4.7B Part (b) endorse WALGA's proposed extension of the poll provisions to include significant boundary adjustments subject to further research and sector consultation being carried out on any associated criteria and for a report to be presented through the next Zone/State Council Meetings; and*
4. *4.7B Part (c) be endorsed.*

RESOLUTION 86.4/2014 CARRIED UNANIMOUSLY

It should be noted that other than 4.7(a) being "noted" rather than endorsed, part (b) and(c) have been endorsed.

The slight amendment to 4.7B (b) was submitted by Councils for Democracy during the recent round of Zone meetings which was supported through Zones and State Councils

Attachment 2



12 September 2014

Ms Rhonda Hardy
Chief Executive Officer
Shire of Kalamunda
PO Box 42
Kalamunda WA 6926

Dear Rhonda

Thank you for your letter dated 8 September, 2014 advising me that the Shire of Kalamunda adopted the following resolution:

RESOLVED OCM 130/2014

That Council:

Authorise the CEO to withhold payments on all WALGA accounts, except LGIS accounts and subject to confirmation that non-payment of subscriptions does not invalidate Councils insurance policies, pending WALGA State Council accepting in full the City of Canning motion passed at the WALGA AGM or WALGA State Council rescinding its Item 5.1.2 as passed on 2 July 2014.

The AGM item was in fact in line with WALGA's policy position on the poll provisions that was endorsed at the July State Council. The only difference in the AGM item compared to State Councils policy position is that the AGM motion has requested more work be carried out on determining what "significantly affected" means in determining if a poll should be required for a Local Government that is not going to be abolished. Both the AGM item and State Councils current policy position are aimed at strengthening the poll provisions.

Further, State Council at its meeting on 3 September 2014 endorsed the intent of the AGM motion by adopting the following:

Endorse WALGA's proposed extension of the poll provisions to include significant boundary adjustments subject to further research and sector consultation being carried out on any associated criteria and for a report to be presented through the next Zone/State Council Meetings.

Carried Unanimously

It is also an opportunity for me to provide some background on WALGA governance and the reviews that have been held over the years. There has been some comment in the sector that there may be an issue with governance in the Association. The processes within the Association are based on the Australian Institute of Company Directors. The Association governance processes are governed by 3 documents:

ONE20
LV1, 170 Railway Parade, West Leederville, WA 6007
PO Box 1546, West Perth, WA 6872
T: (08) 9213 2000 F: (08) 9213 2077 info@walga.asn.au
www.walga.asn.au



- Constitution
- Corporate Governance Charter
- Standing Orders

Regular reviews of the documents and processes are carried out. The following demonstrates amendment dates:

1. Constitution – Adopted August 2001
2. Amended – at annual General Meetings of August 2004, 2006, 2007, 2011 and 2013.
3. Corporate Governance Charter – Endorsed December 2002. Amended – State Council Meetings of October 2004, June 2010, June 2011 and December 2012.
4. Standing Orders – Endorsed in 2001 and currently under review.

The Corporate Governance Charter and the Standing Orders are currently being reviewed as part of the Associations normal review process.

All Zone resolutions are referred to the respective WALGA policy unit for consideration. Depending on the issue the action can be varied. If an item is consistent with the Association's position on the issue then further advocacy can be carried out without the need to refer back to State Council for consideration. If it is a new item then research will be carried out and a state Council item generated. A response to all Zone resolutions is provided to each Zone for their next meeting in the form of a Zone Status report.

Some concern from the sector has been expressed about delaying items. Recently an item put forward by the Central Country Zone was received by State Council at its 5 March meeting, the item was then referred for a report and input by the Metropolitan and Country Reform Policy Forums. An item for noting on the progress of the issue was prepared for the May State Council meeting and then an item for decision was prepared for the July State Council meeting and yes this is taking too long; however, State Council have responded by requesting that the process is improved and tightened up and to ensure that all policy issues that are to be considered by State Council have reports prepared that all Zones can consider through the Zone process. By making sure all Zones have input into State Councils policy position can cause delays.

It is important to note that in WALGA's governance processes, the President of the Association does not exercise a deliberative vote on any issue. The President only exercises a casting vote in the event of there being an equality of votes. In my recollection, there has not been a requirement for the President to exercise a casting vote since the establishment of WALGA.

All WALGA agenda recommendations are considered by all Zones and then the WALGA State Council considers all the input and a majority view is obtained to resolve a policy position.

Membership to LGIS is dependent on the member being a current member of WALGA. At this point in time the Shire of Kalamunda is a valued member of WALGA and I hope that this continues to be so. The Shire currently pays a subscription fee of \$31,147.00 and savings to the Shire are in excess of \$1.3M.



I am sure that these issues and matters can be better explained in person and I would be very pleased to be able to do so. I could also arrange to bring some information on the value and benefits of being a member to WALGA with me. If it suits Council I will ask my Executive Assistant, Vivien Hardison, to contact you and arrange to meet with you and any members of your Council.

Yours sincerely

A handwritten signature in cursive script that reads "Ricky Burges".

Ricky Burges
Chief Executive Officer

Declaration of financial / conflict of interests to be recorded prior to dealing with each item.

10.3.6. Hills Rural Study – Final Endorsement

Previous Items	OCM 98/2013, OCM182/2013
Responsible Officer	Director Development Services
Service Area	Development Services
File Reference	PG-STU-003
Applicant	Shire of Kalamunda
Owner	Various
Attachment 1	Map of the Study Area
Attachment 2	Final Hills Rural Study Appendices
Attachment 3	Final Hills Rural Study Document

PURPOSE

1. To consider endorsement of the final version of the Hills Rural Study (Attachments 2 and 3) which has been reviewed following public advertising of the draft Study.

BACKGROUND

2. **Land Details:**

Aggregate Land Area:	2,326 hectares
Local Planning Scheme Zone:	Rural Agriculture, Rural Landscape Interest, Rural Conservation, Special Rural
Metropolitan Regional Scheme Zone:	Rural and Parks and Recreation

Locality Plan

- 3.



4. The subject land is zoned 'Rural' under the Metropolitan Region Scheme (MRS) and 'Rural Agriculture', 'Rural Landscape Interest', 'Rural Conservation' and 'Special Rural' under the Shire's Local Planning Scheme No 3 (the Scheme). There is an area within the study boundaries zoned 'Urban' under the MRS and 'Residential Bushland' under the Scheme that has not been considered under this review.
5. The subject land covers an area of approximately 2,326 hectares of the localities of Bickley, Carmel, Pickering Brook, Canning Mills, Hacketts Gully, Pauls Valley and Piesse Brook. This is the same area covered by the original Hills Orchard Study plus additional properties with relevant rural zoning. Small parts of Kalamunda, Lesmurdie and Walliston are also part of the Study area. An enlarged map of the Study area is included (Attachment 1).
6. The Hills Orchard Study, completed in 1987, evaluated some of the physical, social and economic factors affecting the land contained within rural areas of the Shire. The Study recommendations were incorporated into District Planning Scheme No 2 and later into the current Scheme.
7. In recent years, there has been a steady flow of requests for a review of planning controls relating to land within the Study area. Both the growers, as well as other landowners who are not producing on their land, have identified issues caused by the perceived lack of flexibility of land use and the inability to subdivide their land.
8. The Local Planning Strategy, adopted by the Western Australian Planning Commission (WAPC) in February 2013, recommended a review of the original Hills Orchard Study and consideration of the potential for further subdivision, development and opportunities for tourism in the area. Also, to consider the existing strategies, policies, statutory requirements and other regulations that govern the land use and the lot sizes in the study area.
9. In July 2013, Shire officers presented the first version of the draft Hills Orchard Study to Council for the purpose of initiating public advertising. Council resolved as follows:

That this Report lay on the table for one month to enable Councillors to consult with members of the community regarding any possible amendments to the Report.
10. Following Council's decision, a workshop was held on 24 July 2013. Local producers, landholders, the Member for Darling Range, a number of Councillors and Shire officers attended the workshop. It was agreed that a number of actions would be undertaken before Shire officers presented an amended version of the draft Study back to Council as follows:
 - a) Additional investigation to be undertaken to facilitate the potential of inclusion of non-productive land in the Study recommendations;
 - b) The name of the study to be changed to Hills Rural Study to better reflect the scope of the study;
 - c) Economic development opportunities to be explored; and
 - d) Advocacy to be considered for the project.

-
11. In response to point c) above, a consultant was engaged to complete the Economic Development Discussion Paper (EDDP) which informed additional economic development and planning recommendations that were incorporated into the Study. The EDDP is contained in Appendix 2 of the Hills Rural Study which is included (Attachment 2).
 12. The revised draft Hills Rural Study was considered by Council in November 2013 and Council resolved to:
 1. Receive the Economic Development Discussion Paper and the draft Hills Rural Study and along with its Appendices for an 80 day public consultation period from 26 November closing on 14 February 2014.
 2. Approve a public forum to be held during the consultation period to provide detailed presentations of the Reports and to provide an opportunity for clarification on any matters required by the Community.

Details of the advertised version of the Study are included in the 'Details' section of this report.

DETAILS

Issues facing the Hills Rural Study area

13. During the course of preparing the draft Study between 2011 and 2013, a working group was formed consisting of community representatives, Councillors and Shire officers. A number of meetings and onsite visits were held to provide Shire officers with an idea of the issues facing local growers as follows:
 - The availability of water has steadily reduced and it is likely that this trend will continue.
 - The loss of markets - most growers are not of a large enough scale to cater to the large food providers, and local markets are too small to accommodate all the growers. The international market has become too competitive because of the inclusion of countries with cheaper labour costs.
 - Younger generations have increasingly chosen to work in other industries, resulting in a growing number of ageing growers who are struggling to cope with the demands of agriculture/horticultural work on their own.
 - The inability to subdivide large rural landholdings results in the fragmentation of the traditional agriculture/horticultural family units as young people are forced to move out of the area in order to be able to purchase their own property.
 - Some pest controlling chemicals are being banned from use, making pest control management considerably harder and less cost effective.
14. Many land owners in the Study area are seeking change to planning controls relating to the area so they may explore diversification or downsizing of operations, or subdivision of land in order to overcome the abovementioned issues.

Planning Considerations

15. The use of land within the Hills Rural Study area is highly regulated, primarily by statutory controls aimed at protecting the area as a primary agriculture area, and ensuring that underlying water resources are not degraded. The following planning documents relate to the land:

16. *State Planning Policy 2.5 - Agricultural and Rural Land Use Planning (SPP 2.5)*

SPP 2.5 was gazetted in November 2013 and replaced the previous State Planning Policy 11 – Agricultural and Rural Land Use Planning. SPP 2.5 applies to all the land zoned 'Rural' under the MRS and contains the following objectives:

- To protect rural land from incompatible uses;
- To promote regional development through the provision of ongoing economic opportunities on rural land;
- To promote sustainable settlement in, and adjacent to, existing urban areas;
- To protect and improve environmental and landscape assets; and
- To minimise land use conflicts.

SPP 2.5 emphasises the importance of retaining priority agricultural land, however, unlike its predecessor, it does not actually identify such areas within the state. The term 'priority agricultural' is defined as follows:

"Land considered to be of State, regional or local significance for food production due to its collaborative advantage in terms of soils, climate, water (rain or irrigation) and access to services. Priority agricultural land is derived from High Quality Agricultural Land data that has been subject to consultation and refinement, and has removed land required for existing and future urban/development areas, public use areas and land required for environmental purposes."

SPP 2.5 places the responsibility of determining priority agricultural areas on the local government, indicating that these areas should be identified through local planning strategies and schemes. Local governments are referred to the *Rural Planning Guidelines 2014* which outlines the process for identifying priority agricultural land and incorporating it in local planning strategies and schemes.

17. *Development Control Policy 3.4 - Subdivision of Rural Land*

This operational Policy guides the subdivision of rural land to achieve the key objectives of SPP 2.5 to protect agricultural land, plan for rural settlement, minimise land use conflict and manage natural resources.

18. *State Planning Policy 2.7 - Public Drinking Water Source Policy (SPP 2.7)*

The objective of SPP 2.7 is to ensure that the land use and development within the Public Drinking Water Source Areas is compatible with the long term management of water resources for public water supply. The majority of the Study area is identified as a Priority 2 (P2) drinking water source area, with a portion of the Study area around Carmel also being contained within the MRS 'Water Catchment' reserve.

19. *Draft State Planning Policy 3.7 – Planning for Bushfire Risk Management (draft SPP 3.7)*

In May 2014, the WAPC released the draft State Planning Policy 3.7 – Planning for Bushfire Risk Management (draft SPP 3.7). The purpose of draft SPP 3.7 is to give a 'head of power' to the revised edition of the Planning for Bushfire Guidelines (the draft Guidelines). These documents were prepared following the release of the Keelty Report which identified that a more integrated planning approach needed to be taken to bushfire risk management following several devastating bushfires throughout Australia in recent years.

20. The primary focus of the draft Guidelines is bushfire protection for new subdivisions and related development in rural residential developments. The draft Guidelines establish a set of performance criteria that are required to be met by new subdivisions and related development within bushfire prone areas. Local governments are encouraged to adopt the performance criteria within the draft Guidelines when assessing structure plans and subdivision and development applications.

21. *Middle Helena Catchment Area Land Use and Water Management Strategy (MHCA Strategy)*

The MHCA Strategy recommends a framework for land use planning and water management in the catchment area, which a significant portion of the Study area falls within. The strategy outlines that the area is subject to pressures from a demand for housing, reduction and degradation of agricultural production and an increasing need for tourism opportunities. Some recommendations of the MHCA Strategy relating to the ideal MRS zoning of land within drinking water resource areas have yet to be implemented by the WAPC.

22. *Local Planning Scheme No. 3*

The Scheme provides statutory provisions relating to the subdivision, development and use of each zone within the Hills Rural Study area. The Study area is zoned 'Rural Agriculture', 'Rural Landscape Interest', 'Rural Conservation' and 'Special Rural' under the Scheme. With the exception of the 'Special Rural' zone, the minimum lot size permitted by the Scheme for land within the Study area is 12 hectares, or 6 hectares subject to certain criteria being achieved.

Advertised Hills Rural Study

23. This draft Study was prepared in response to public pressure for a formal investigation to be undertaken into the issues facing the Hills Rural community, and potential solutions to these issues, including the appropriateness of reviewing planning controls for the area. The recommendations of the draft Study responded to three key issues facing the area: economic decline, a lack of land use flexibility and the inability to subdivide land in the area. The recommendations of the draft Study are summarised below.
24. Draft Recommendation 1 – This recommendation relates to supporting local growers to implement their preferred recommended actions of the EDDP which was included as an attachment to the Study.

-
25. Draft Recommendation 2 – This recommendation would see a review of the Scheme to identify where zone rationalisation or changes to land use permissibility could occur. In particular, the review would explore land uses that may facilitate new revenue opportunities and the diversification of the agricultural industry in the area.
26. Draft Recommendation 3 – This recommendation presents seven different options relating to subdivision of the Study area in the future as follows:
1. No change to the current subdivision potential of the land;
 2. Reduce the minimum lot size in a new 'Priority Agricultural' zone and the 'Rural Conservation' zone;
 3. The introduction of a 'agricultural ancillary' lot for lots under production which are currently in excess of 6 hectares;
 4. Excision of a 2 hectare lot from all lots in excess of 6 hectares regardless of whether they are under production or not;
 5. Rural cluster subdivision of a lot into a number of small strata lots, and a separate agricultural lot under production.
 6. Transferrable development rights which allow those with lots under production and the potential to subdivide their land the opportunity to sell their development rights in order to protect the agricultural land.
 7. A full reclassification of the area from a priority agricultural area to a rural settlement designation which would allow subdivision of lots down to 2 hectares.
27. Further details on the public advertising of the draft Study and the submissions received is provided in the 'Community Engagement' section of this report, and also in Chapter 7 and 8 of the final Hills Rural Study (Attachment 3).

Final Hills Rural Study

28. Shire officers have now compiled a final version of the Hills Rural Study which has been informed by the submissions received during the public advertising of the draft Study. In particular, the final Study considers the views of public and Government Agencies towards the three recommendations of the advertised draft Study.
29. The final version of the Study retains the contextual and case study research of the draft Study, however, the final chapters have been re-structured to reflect the current status of the project now that all public consultation and analysis of information is complete. The final Study also takes into consideration policy changes which have occurred since the preparation of the draft Study such as the release of SPP 2.5 and the draft SPP 3.7.
30. To appropriately conclude the Study, revised recommendations have also been included as follows:

Final Recommendation 1

Commit to supporting landowners in the Kalamunda Hills Rural area with developing and implementing economic development initiatives aimed at diversifying and improving the viability of agriculture/horticulture activities. This support may occur by way of Councillor and Officer involvement, liaising with

State Government Departments, assisting with obtaining grants and research assistance, or other means of support deemed appropriate.

Final Recommendation 2

Commence a Local Planning Scheme 3 Amendment for the purpose of:

- a) Rationalising rural zones in the Study area;
- b) Introducing new permissible land uses to rural zones in the Study area which may increase land use flexibility for land owners; and
- c) Introducing a new 'Priority Agriculture' zone over land which is deemed to be of State, regional or local significance for food production purposes, due to its collaborative advantage in terms of soils, climate, water (rain or irrigation) and access to services, in accordance with *Planning Policy 2.5 – Land Use Planning in Rural Areas*, and the WAPC's *Rural Planning Guidelines 2014*.

Final Recommendation 3

Write to the WAPC and the DAFWA to:

- a) Advise that the Shire acknowledges their positions regarding further subdivision of the Kalamunda Hills Rural area, and furthermore, that the Shire will not be progressing any planning in this regard following the conclusion of the Hills Rural Study 2014; and
- b) Request that the DAFWA initiate a study into the agricultural productivity of the area for the purpose of assisting the Shire to delineate the boundaries of a new 'Priority Agriculture' zone in accordance with the WAPC's *Rural Planning Guidelines 2014*.

STATUTORY AND LEGAL CONSIDERATIONS

31. Nil.

POLICY CONSIDERATIONS

32. State Planning Policy 2.5 – Agricultural and Rural Land Use Planning.
State Planning Policy 2.7 – Public Drinking Water Source Policy.
Development Control Policy 3.4 – Subdivision of Rural Land.
Draft State Planning Policy 3.7 – Planning for Bushfire Risk Management.

COMMUNITY ENGAGEMENT REQUIREMENTS

33. Following Council's resolution in November 2013, the draft Study was advertised for public comment between 26 November 2013 and 14 February 2014. At the closing of the public consultation period, Shire officers had received a total of 318 submissions from the public, while a further six submissions were received from Government Agencies and Town Planning Consultants.

-
34. A summary of the public submissions is contained in Appendix 7 of the Hills Rural Study. A large number of the public submissions received (231 of the 318) were an identical submission which had been signed by different members of the public, this submission has been referred to within the Study as the 'group' submission. This submission supported Recommendation 7 of the draft Study to reclassify the Hills area from 'priority agriculture' to 'rural settlement' and allow subdivision of the area to occur. The balance of the submissions were received from other members of the public, each with differing views on the future of the Hills Rural area.
35. A summary of the submissions received from Government and other agencies is contained in Appendix 8 of the Hills Rural Study. Government Agencies were largely opposed to further subdivision due to the likelihood that further land fragmentation would be inconsistent with SPP 2.5 and SPP 2.7, as land fragmentation may result in a reduction of agricultural production and could potentially lead to degradation of drinking water resources. The Departments of Planning, Agriculture and Food, and Water expressed varied levels of support for Recommendations 1 and 2 being implemented, consistent with the assumptions and planning advice of the 'decision analysis' matrix contained in Chapter 7 of the Study.
36. Shire officers have presented the results and a statistical summary of the submissions in Chapter 8 of the final Hills Rural Study.

FINANCIAL CONSIDERATIONS

37. Although the majority of work on the review has been done in-house, a land capability consultant was engaged in the final stage of the draft in the document. Additionally, an economic development consultant was engaged to produce the EDDP.

STRATEGIC COMMUNITY PLAN

Strategic Planning Alignment

38. *Kalamunda Advancing: Strategic Community Plan to 2023*

Objective 4.1 – Ensure land use plans provide long term sustainable population growth.

Strategy – Continue to work collaboratively with State Government Agencies to deliver strategic land use plans, policies and initiatives.

Objective 5.4 – To be recognised as an excellent tourism destination with high levels of patronage.

Strategy 5.4.2 – Ensure tourism development is integrated into land use planning in regards to the Perth Hills.

SUSTAINABILITY

Social Implications

39. An ageing population of landowners within the Study area and inability to encourage the younger generation to continue in the industry is a key issue without any current solution. This fragmentation of traditional orcharding families is considered to be one of the most important factors in the decline of the agriculture in the area.
40. It should be noted the Study, as it stands, has only dealt with social issues at a minimal level.

Economic Implications

41. The purpose of undertaking the EDDP was to investigate economic initiatives that may be suitable for adoption by landholders in the area who wish to leverage and maximise market driven opportunities.
42. The EDDP made the following points in relation to the current and future economic viability of agriculture in the Study Area:
- The future of the local industry remains uncertain;
 - There are significant risk factors and uncertainty involved in agricultural/horticultural production at the moment;
 - Traditional agricultural and horticultural production in the Hills may be less viable at the current time;
 - Some macro-economic factors are currently changing (e.g. strength of the dollar, labour availability);
 - Overall market demand (Western Australia and global) is growing;
 - Not all producers in the Study area are in decline;
 - International competition tends to be somewhat overstated (it accounts for only 3.5% of total imports);
 - Collaboration would be an obvious strategy to support growers but has not been implemented in the Study area; and
 - There are some indicators that product quality in the Study area could be improved.
43. In considering the broad economic development factors affecting the Horticultural Industry, the EDDP recommended the following actions:
1. Facilitate greater collaboration between growers
 2. Undertake overall analysis of fertile land in Western Australia to review supply/demand
 3. Advocate for funding from Department of Agriculture (DAFWA) to support local initiatives.
 4. Advocate for a scheme to support and encourage investment in capital.
 5. Investigate development levies to support economic development initiatives.
 6. Undertake trial innovation projects for new technologies.

7. Promote government support schemes.
 8. Undertake energy audits to reduce energy costs.
 9. Undertake product quality audits to gauge market perception.
 10. Bring in experts for knowledge sharing.
 11. Create linkages to the education sector.
 12. Review legislative frameworks to ensure equality with interstate producers.
 13. Investigate a farm gate branding approach to support tourism.
 14. Investigate a 'farmer's story' campaign.
 15. Survey younger family members to understand their intentions.
 16. Encourage start-ups to focus on industry.
 17. Investigate Community Supported Agriculture and other similar models.
44. It is important to note that for any of the above actions to be implemented, the initiative would need to come from the orcharding community. The Shire would then have a role of helping to facilitate the implementation, supported by all other tiers of government. As noted in the 'Details' section of this report, Recommendation 1 of the advertised draft Study related to the potential implementation of the EDDP actions.

Environmental Implications

45. Most of the Study area is within the Middle Helena Catchment Area. Water resource protection objectives are strongly reinforced in the planning system by SPP 2.7 and State Planning Policy 2.9 – Water Resources. Almost all rural zoned land within the Study area is currently Priority 2 (P2) classification. Due to the proximity of the Study area and its water catchments to a rapidly growing city which is affected by declining rainfall, compliance with these state planning policy objectives will be critical for any changes to land use planning controls in the area.
46. The Shire has now initiated a Scheme amendment to introduce a Special Control Area 'Bushfire Prone Area' into the Scheme. Once this Scheme Amendment is finalised by the WAPC it will be implemented in conjunction with the State Government's bushfire policies and guidelines and the mapping will have implications on the potential for further rezoning and subdivision in areas of extreme bushfire risk.
47. Any proposal to alter land use and planning controls for the area would need to be supported by extensive environmental studies which addressed the concerns and policy objectives of the State Government regarding drinking water resources, bushfire, and flora and fauna protection.

RISK MANAGEMENT CONSIDERATIONS

48.

Risk	Likelihood	Consequence	Rating	Action/Strategy
Council may resolve to pursue a recommendation in conflict with State Government policy and planning principles.	Possible	Major	High	To ensure that Council is aware of the position of State Government agencies on the re-zoning of the Hills Rural Study area.

OFFICER COMMENT

Draft Recommendation 1 – Agricultural production and business support

49. As outlined in Chapter 8 of Attachment 3, there was very little public support for Recommendation 1 of the draft Study. Almost half of the submitters on the study provided no comments on Recommendation 1 and those who did were mainly opposed to the idea of implementing it.
50. Although State Government agencies generally supported Recommendation 1, the Department of Planning (DoP), as with some members of the public, considered Recommendation 1 to be vague. This is largely because Recommendation 1 suggests the community's preferred EDDP recommendations be pursued, however, does not outline what the community's preferences are, and how they would be implemented.
51. Shire officers were anticipating that submitters on the Study would indicate their preferences towards certain EDDP recommendations so that implementation of these preferences could be explored by way of working with land owners to develop business initiatives. This has not occurred due to a general disinterest in Recommendation 1 of the Study altogether. Therefore, details regarding the implementation of this recommendation will require further communication with landowners in the Study area.
52. Notwithstanding the above, a small number of submitters were supportive of implementing Recommendation 1 of the Study. It is possible that this number may increase in the future if land use controls in the area become more flexible and allow for new agri-tourism pursuits. If subdivision is not possible in the future landowners may also be more willing to explore other options to improve their situation. Therefore, it is considered appropriate that the Shire commit to supporting landowners implementing economic development initiatives aimed at diversifying and improving the viability of agriculture/horticulture activities in the Study area. Final Recommendation 1 of the Study is reflective of this.

Draft Recommendation 2 – A review of rural zoning and land uses

53. Although most submitters did not directly address Recommendation 2 of the draft Study, the majority of those who did supported the possibility of introducing new land uses into the area. A common comment in the submissions was also that land use controls need to be relaxed to provide land owners with more options, and that the area could become a tourism hub similar to the Swan Valley.
54. State Government agencies were also generally supportive of this recommendation, on the basis that rationalising zoning and land use permissibility's does not compromise the objectives of SPP 2.5 and SPP 2.7 relating to the protection of agricultural land and drinking water resources. It is noted that the introduction of additional tourism related land uses into the area would not directly impact on agricultural land if appropriate development provisions were included in the Scheme. Nor would permitting the development of low impact tourism related land uses such as restaurants or chalets be in conflict with the land use compatibilities outlined in the State Governments Water Quality Protection Note 25.
55. Based on the relative level of support for a review of local zoning and land use permissibility in the Hills Rural area to be undertaken, Shire officers recommend that implementation of Recommendation 2 of the Study be initiated. It is considered that three main issues would be dealt with through a review of zones in the Study area as follows:

Improve flexibility and approvals process

56. It is noted that on 26 May 2014, Council resolved to initiate a Scheme Amendment to change the land uses 'Restaurant' and 'Chalet – Short Term Accommodation' to 'A' uses within the 'Rural Conservation' and 'Rural Agriculture' zones. This Scheme Amendment responds to several requests for the development of restaurants or chalets in the Hills Rural area. Although this Scheme Amendment represents a first step in the implementation of Recommendation 2, Shire officers still consider a wider review of planning controls in the Hills Rural area is necessary to determine how zones and land use permissibility in the Hills Rural area could be rationalised and made more flexible. Final Recommendation 2 of the Study is reflective of this.

Introduce a 'Priority Agriculture' zone

57. As identified in the 'Details' section of this report, SPP 2.5 places the responsibility of determining priority agricultural areas on the local government when previously these areas had been defined by DAFWA. Now, in order to provide clarity to landowners, and to inform future planning for the Study area, it is necessary for the Shire to go down the path of implementing SPP 2.5 with respect to identifying areas of priority agricultural land.
58. As outlined in the *Rural Planning Guidelines 2014* this process would involve integrating environmental data (soils, water, topography, climate etc) with information gained from landowners and site visits throughout the Study area. Using this information the Shire, in collaboration with DAFWA, will be able to

undertake a comprehensive land capability assessment and map the priority agriculture areas within the Shire.

59. The process of delineating priority agricultural areas and incorporating these into a 'Priority Agriculture' zone in the Scheme, will ultimately determine which properties are most suited to agricultural production and those which are not. This process may result in some properties within the Study area falling outside of the priority agricultural area boundaries, however, it is anticipated that a significant amount of the Study area would still ultimately fall within the designation.

Review of MRS 'Water Catchment' boundary

60. One barrier to a consistent and streamlined approvals process for developments in the Study area is the current application of the MRS 'Water Catchments' reserve over a significant amount of privately owned P2 land within the Study area, largely around Carmel. This is inconsistent with the intent of SPP 2.7 and the approach taken in other drinking water resource areas in the Perth metropolitan area. It was also identified as problematic by the Department of Water in their submission on the Study.
61. The consequence of there being privately owned P2 areas contained within the MRS 'Water Catchments' reserve is that any proposal for land use or development on these properties must be determined by the WAPC. This results in the development application process being longer, and more uncertain for land owners and may dissuade land owners from pursuing developments on their land even if land use permissibility becomes more flexible in the future.
62. Considering the above, the final Recommendation 2 of the Study recognises the need for the WAPC to review the MRS zones and reserves that apply to the Study area.

Draft Recommendation 3 – Seven potential options relating to subdivision

63. Recommendation 3 of the draft Study included seven different options relating to potential future subdivision of the Hills Rural area. With the exception of Option 1, all of the options related to some form of subdivision occurring in the future. It is no surprise that Option 7 – to reclassify the area to allow for rural settlement style development was supported by the vast majority of submitters.
64. The vast majority of property owners who support implementation of Recommendation 3 identified that subdividing their properties would benefit them socially and economically. These benefits included, but were not limited to the following:
- Landowners could retain a portion of the property in the family for a longer period of time;
 - Landowners could sell a portion of the property to children;
 - Properties would be easier and less costly to manage;
 - Landowners could downsize agricultural production on properties as production in the Hills is no longer viable;
 - Retired farmers may become eligible for the pension if their lot became less than 2 hectares;

- Capital from selling portions of the property could be reinvested into the land; and
- Subdivision would facilitate the sale of the productive portion of the lot to a younger person with fresh ideas.

65. Option 7 of Recommendation 3 received the most support from submitters with over 80% of all submitters, and 90% of submitters who own property in the Study area being supportive of this approach.

Agricultural considerations

66. Although SPP 2.5 no longer specifically identifies the area as being a priority agricultural area, the area is still afforded protection under the policy as it applies to all rural land within the State and contains other provisions which favour retention of the area as an agricultural area. DAFWA have consistently expressed the view that further subdivision of the Study area is against their objectives. DAFWA have also not supported the majority of options in the draft Study relating to subdivision as implementing these options would inevitably result in a loss of agricultural land.

67. This is consistent with the advice received from the DoP that further fragmentation of rural land is not consistent with SPP 2.5, and that variations to SPP 2.5 are not likely to be considered. In their submission on the draft Study, the DoP made the following statement in relation to Recommendation 3:

"As noted in the EDDP, any reduction in land size is likely to result in the long term reduced viability of productive rural land in the Shire. Accordingly, recommendations proposing the reclassification of the area to rural settlement, or which would facilitate additional subdivision potential to that already possible under the Scheme are not supported."

68. The land capability assessment contained in Chapter 5 of the Study indicates that many portions of the Study area contain soils which are generally highly conducive to agriculture/horticulture. In addition, it is noted that the DAFWA consider the area to be a Class 1 and 2 land capability area for agricultural/horticultural production. It is based on this information that Shire officers consider a large amount of the Study area would ultimately qualify as 'priority agriculture' land once a Study to delineate this area commences in accordance with Sections 57 - 59 of this report.

Drinking water resource considerations

69. In their submission on the Study, the DoW reinforced that the recommendations of the Study were only supported where they would be consistent with SPP 2.7 and the DoW land use compatibility table. The land use compatibility table broadly identifies that in P2 drinking water source areas, rural subdivision to less than 4 hectares is incompatible, while 'Special Rural' subdivision of less than 2 hectares is incompatible.

70. Implementation of the community's preferred Option 7 of the Study would actually see the area be reclassified to some form of rural settlement zone similar to a 'Special Rural' zone. If this was to occur, subdivision down to a 2 hectare lot size would actually be consistent with the DoW land use compatibility table. However, the DoW and DoP have indicated that the effect of development intensification on the area would not be consistent with their objectives for priority drinking water source areas, in particular those areas located within the 'Water Catchments' MRS reserve.

Feasibility of pursuing options for subdivision

71. Undoubtedly, one of the largest barriers to the implementation of Options 2 – 6 of draft Recommendation 3 is the lack of planning justification to support the subdivision in the area. It is noted that although there was overwhelming support for subdivision from landowners in the Study area, submitters did not provide any input in addressing the issues of preserving agricultural land and protecting environmental resources such as drinking water. Submitters primarily supported subdivision due to personal circumstances and for social and financial reasons.
72. In contrast, those who did not support subdivision of the area often provided agricultural, environmental or amenity based justification for their non-support of subdivision in the Hills. Such justification included the fragmentation of viable agricultural land, additional discharges into groundwater resources, and a lack of infrastructure to accommodate a population increase in the area.
73. In contrast to the overwhelming support for some form of subdivision to be permitted within the Study area, Government Agencies reinforced that any proposals which are inconsistent with State Planning Policies need to be justified in terms of policy objectives. Essentially, this would require Shire officers to demonstrate to the State Government that facilitating subdivision in the Hills rural area would provide a benefit to the area without compromising the capability of the area as a highly productive agricultural area, a drinking water source and a high amenity location.
74. It is not disputed that intensification of urban development in the area will impact on the agricultural capability of the land, and unless carefully managed, on the viability of drinking water resources. The EDDP commissioned by the Shire has already identified that although subdivision may be attractive for many land owners to support their personal circumstances, it is likely to facilitate further decline of the growing industry over the long term. Furthermore, the EDDP notes that it is very possible that agricultural production in the Hills Rural area will become viable again in the future.

Bushfire hazard mitigation – impact on future planning

75. In May 2014, the WAPC released draft SPP 3.7 along with the draft Guidelines. These documents were prepared following the release of the Keilty Report which identified that an integrated planning approach needed to be taken to bushfire risk management following several devastating bushfires throughout Australia in recent years.

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76. The Hills Rural area will soon be formally recognised as a bushfire prone area by the Shire and the State's bushfire maps, and therefore, any application for subdivision or development will be subject to draft SPP 3.7 and the draft Guidelines (once gazetted) which provide guidance for the assessment of applications.
77. In May 2014, environmental consultants Strategen undertook a Strategic Bushfire review for the Hills Rural area on behalf of the Shire. As expected, this review identified that many properties do not comply with the bushfire performance criteria, particularly properties located on large rural cul-de-sac roads that can only be exited from in one direction. Furthermore, the review identified that intensification of the area through subdivision would be placing a larger number of people at risk of a bushfire hazard.
78. The review considered the possibility of further subdivision in the Hills Rural area, and identified that any proposed development would need to be undertaken in accordance with the current and draft Bushfire Protection Guidelines and the draft SPP 3.7, and designed in such a way as to provide additional bush fire mitigation measures such as:
- A revised road network that provides compliant, safe access and egress from the site;
 - Safe refuge areas that are self-protecting from bush fire;
 - Building construction and design in accordance with AS 3959–2009;
 - Regular fuel hazard reduction and firebreak management in surrounding bushland areas to provide additional protection and defensible space;
 - Provision of reticulated water and auxiliary 90 000 litre water tanks at strategic locations;
 - Installation of reticulated sewage with associated treatment plants and options for reuse to irrigate green grass throughout playing fields and other possible safe refuge areas; and
 - Implementation of a developer contribution scheme and differential rating to support the above risk mitigation measures.
79. A further section of the review included the following comment:
- “although future expansion of the precinct may be achievable, significant bush fire risk mitigation will be required to provide adequate protection to current and future landowners... A detailed evaluation of the financial costs and responsibilities associated with the required bush fire risk mitigation works should be undertaken to determine the viability of the project.”*
80. The extensive nature of these bushfire mitigation measures further highlights that any expectations regarding the reclassification of the Hills Rural area, or reductions for the minimum lot sizes may simply not be viable at this point in time.

Conclusion and Recommendations

81. In concluding the Hills Rural Study, it is considered important to evaluate how the findings of the Study reflect on the Study's original objectives as follows:

Study objective		Outcome
1	To allow traditional growers more flexibility in potential uses.	Among the final recommendations of this Study it is being recommended that work commence on Scheme Amendment to rationalise the rural zoning of the area, and permit new land uses to be approved on land within the Study area, especially 'agri-tourism' land uses. This idea has already received a relative level of support from State Government Agencies, and it is considered that it will ultimately provide traditional growers and other land owners with the ability to diversify the activities undertaken on their land.
2	To encourage additional land uses ancillary to the primary horticultural production.	The Study is not directly able to 'encourage' additional land uses to be undertaken on land within the Study area. Notwithstanding this, the Scheme Amendment outlined in relation to Objective 1 above will ultimately allow for new land uses, in particular 'agri-tourism' land uses to be approved.
3	To consider the potential for future subdivision in the area.	The Study has revealed that progressing planning to facilitate subdivision of the Study area would compromise two major State Government objectives for the area. The Study area is constrained by the fact that it is known to be of high agricultural potential and a drinking water resource, the State Government will not consider reclassification of the area on the basis that its objectives for the area in relation to agriculture and drinking water are not likely to change in the near future.
4	To review the current zoning in the area.	See comments relating to objective 1 above.
5	To create incentives and support horticultural production in the area.	The Study has revealed that there is little community support for the development of economic initiatives aimed at diversifying and improving the viability of agriculture/horticulture activities in the Study area. The public also expressed little support for collaborative action between the grower's community and the government. Notwithstanding this, Shire officers are recommending that the Shire commit to supporting landowners with developing and implementing such initiatives if such support is requested.

6	To protect the rural character of the area through landscape protection.	The Study has revealed that although a large portion the community wish for subdivision of the area to be possible, retention of the rural character of the area is a priority for the majority of the community. Amendments to land use permissibility's in the area in accordance with Objective 1 above will need to take this into account so that new infrastructure and activities do not negatively alter the character of the area.
7	To protect the quality of water.	The Study has once again highlighted that subdivision of rural lots to less than 4 hectares is incompatible with P2 water resource areas in accordance with SPP 2.7. This is just one of the reasons that implementation of Recommendation 3 of the draft Study is not being recommended in this final version of the Study. It had also been identified that some of the recommendations regarding drinking water source protection contained in the MHCA Strategy have not been implemented and it is likely that this will be explored further at such time that a review of zoning in the Study area occurs.

82. The final version of Hills Rural Study represents a comprehensive research document. The Study incorporates a significant level of background investigation into the land use, demographic, environmental and regulatory context of the Study area. The final Study also includes an extensive evaluation of newly gathered data which has informed the three final recommendations of the Study.

83. Following an analysis of the background research, the public submissions and considering the Officer Comments above, it is recommended that Council endorse the recommendations of the Hills Rural Study which are as follows:

“Final Recommendation 1

Commit to supporting landowners in the Kalamunda Hills Rural area with developing and implementing economic development initiatives aimed at diversifying and improving the viability of agriculture/horticulture activities. This support may occur by way of Councillor and Officer involvement, liaising with State Government Departments, obtaining grants and research assistance, or other means of support deemed appropriate.

Final Recommendation 2

Commence a Local Planning Scheme 3 Amendment for the purpose of:

- a) Rationalising rural zones in the Study area;
- b) Introducing new permissible land uses to rural zones in the Study area which may increase land use flexibility for land owners; and
- c) Introducing a new 'Priority Agriculture' zone over land which is deemed to be of State, regional or local significance for food production purposes, due to its collaborative advantage in terms of soils, climate, water (rain or irrigation) and access to services, in accordance with *Planning Policy 2.5 – Land Use Planning in Rural Areas*, and the WAPC's *Rural Planning Guidelines 2014*.

Final Recommendation 3

Write to the WAPC and the DAFWA to:

- a) Advise that the Shire acknowledges their positions regarding further subdivision of the Kalamunda Hills Rural area, and furthermore, that the Shire will not be progressing, at this stage, any planning in this regard following the conclusion of the Hills Rural Study 2014; and
- b) Request that the DAFWA initiate a study into the agricultural productivity of the area for the purpose of assisting the Shire to delineate the boundaries of a new 'Priority Agriculture' zone in accordance with the WAPC's *Rural Planning Guidelines 2014*.

84. In addition, Council is advised that Shire officers will continue progressing other projects related to the Hills Rural Study area such as investigations into decreasing the risk of bushfire hazards in the area, and structure planning for the Pickering Brook Town Centre.

Voting Requirements: Simple Majority

RECOMMENDATION

That Council:

1. Endorses the final version of the Hills Rural Study (Attachments 2 and 3) including its recommendations.
2. Forwards of copy of the final version of the Hills Rural Study to the Western Australian Planning Commission for endorsement and to the Department of Water and the Department of Agriculture and Food for information.
3. Forwards a copy of the final version of the Hills Rural Study to the Minister for Planning, Minister for Agriculture and Minister for Water.

Moved:

Seconded:

Vote: **LAPSED**

RESOLVED OCM 143/2014

That Council:

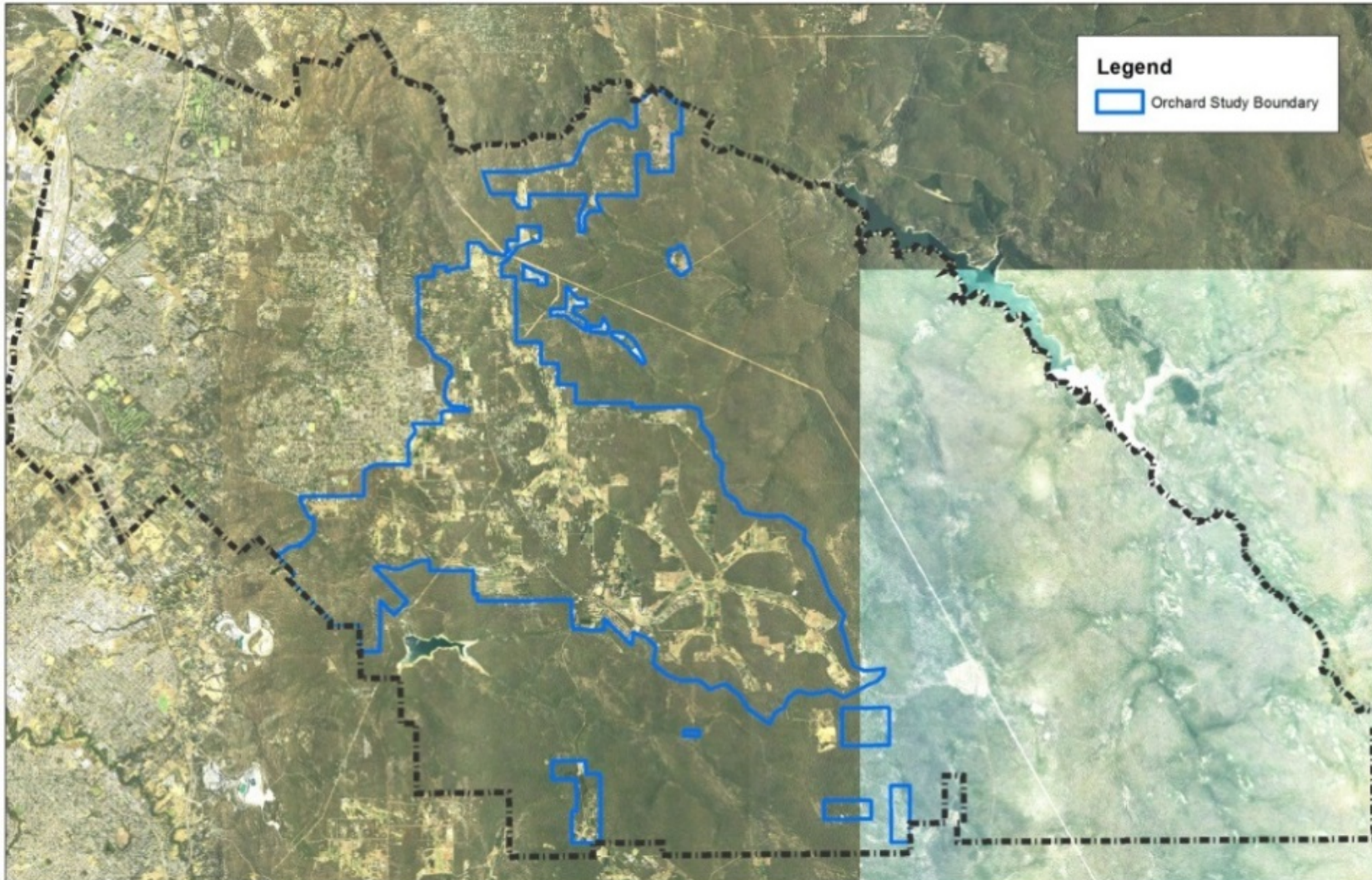
1. Defers consideration of the Hills Rural Study until the Ordinary Council Meeting in December 2014.

Moved: **Cr John Giardina**

Seconded: **Cr Frank Lindsey**

Vote: **CARRIED UNANIMOUSLY (9/0)**

Attachment 1
Hills Rural Study – Final Adoption
Map of Study area



Attachment 2

Final Hills Rural Study Document

[Click HERE to go directly to the document](#)

Attachment 3

Final Hills Rural Study Appendices

[Click HERE to go directly to the document](#)

11.0 MOTIONS OF WHICH PREVIOUS NOTICE HAS BEEN GIVEN

11.1 Naming of Proposed New Rail Station – (Cr Dylan O'Connor)

RESOLVED OCM 144/2014

That Council:

1. Request the Chief Executive Officer to investigate the possibility of the new train station being officially named the High Wycombe Station.

Moved: **Cr Dylan O'Connor**

Seconded: **Cr Andrew Waddell**

Vote: **CARRIED UNANIMOUSLY (9/0)**

Rationale:

The PTA recently held Public Information Sessions within the Shire of Kalamunda and the City of Belmont. Around 80 people attended the High Wycombe information session. There were two main questions people were asking, firstly they were concerned about the zoning and the land uses around the new station. Secondly, they were confused over the displayed proposed location and the name of the station. Many residents who have lived in High Wycombe for decades couldn't understand why the station was being called the Forrestfield Station. This issue was raised with the PTA organising group and they explained they had the same confusion. It was pointed out to residents who were asking these questions that the name has not been determined yet. A search on the PTA website confirms, *"There will be three new stations on the Forrestfield Line. These are known as Airport West Station, Consolidated Airport Station and Forrestfield Station, the official names for these stations will be determined closer to project completion in 2020."* www.forrestfieldairportlink.wa.gov.au

While land use planning for this entire precinct is very much in the early stages, there is a good chance that there will be an element of residential in very close proximity to the new station. It would be difficult to explain why a residential and commercial component is listed as High Wycombe yet the station is identified as Forrestfield.

Given that both the Shire's own mapping service, Intramaps and Google maps clearly identify this area as High Wycombe, it seems to be logical that the station name should reflect its location and be called, 'High Wycombe Station'.

11.2 **Problem of hoon drivers in the Shire of Kalamunda – (Cr John Giardina)**

RESOLVED OCM 145/2014

That Council:

1. Request the Chief Executive Officer to investigate whether there are any companies that have got the capability of installing temporary/portable video cameras on Western Power poles with a view to providing evidence for the apprehension of hoon drivers within the shire.

Moved: **Cr John Giardina**

Seconded: **Cr Geoff Stallard**

Vote: For
Cr John Giardina
Cr Geoff Stallard
Cr Allan Morton
Cr Justin Whitten
Cr Sue Bilich

Against
Cr Frank Lindsey
Cr Andrew Waddell
Cr Dylan O'Connor
Cr Margaret Thomas

CARRIED (5/4)

11.3 **Hale Road/Tonkin Highway Intersection – Impact Gateway WA Works - (Cr Noreen Townsend)**

In the absence of Cr Townsend it was proposed to defer deliberation on this matter.

That Council:

1. Request that the Chief Executive Officer contact Gateway WA Project Management to express concern, and commence negotiations to review the deletion of the right hand turn lane from Tonkin Highway into Hale Road at the traffic lights at that intersection, when travelling south on Tonkin Highway.

Moved: **Cr Noreen Townsend**

Seconded:

Vote:

Rational

As Councillors would be aware there is a traffic issue at the lights at the intersection of Hale Road and Tonkin Highway particularly at peak hours, but also during the day, with vehicles having to wait at peak time two or three light changes. On Tuesday 17th August at 3 pm both west bound lanes on Hale Road had a bank up of 16 vehicles (32 in total) including 5 semis with dog trailers waiting to move on the change of lights.

The proposed deletion of the right hand turn lane will require those that wish to travel west on Hale Road into Welshpool Road to turn left at those traffic lights into Hale Road moving down to the roundabout at Redgum Estate/Hartfield Park going round that device to go back to the traffic lights to head west on Hale Road to the residential developments or to access Welshpool Road.

Gateway semi-trailers with dog trailers are already turning left into Hale Road, going down to the roundabout and coming back to the traffic lights to turn right to return to the site works. This has increased traffic numbers on that portion of Hale Road and has created a safety hazard at the Reynolds road roundabout as it is at this location that children, students and others cross Hale Road to access the bus stops/shelters on either side of the road. There is already evidence on the footpath on the south side of the roundabout where the vehicles have driven onto that path, creating a hazard and damage to the infrastructure.

The increased traffic numbers with the removal of the right turn lane into Hale will have a serious impact on the road infrastructure as well.

RESOLVED OCM 146/2014

That Council:

1. Defer consideration of the motion Hale Road/Tonkin Highway Intersection – Impact Gateway WA Works until the Ordinary Council Meeting of October 2014.

Moved: **Cr Sue Bilich**

Seconded: **Cr Margaret Thomas**

Vote: **CARRIED UNANIMOUSLY (9/0)**

12.0 QUESTIONS BY MEMBERS WITHOUT NOTICE

12.1 Sparrow Court Closure Update – (Cr Andrew Waddell)

Q. Can I please have an update as to the appeal for the Sparrow Court closure?

A. A request has been forwarded to the WA Planning Commission.

12.2 Caltrop Control Program– (Cr Justin Whitten)

Q. Does the Shire have a program for the control of Caltrop?

A. Taken on Notice.

13.0 QUESTIONS BY MEMBERS OF WHICH DUE NOTICE HAS BEEN GIVEN

13.1 Kostera Oval Redevelopment – (Cr John Giardina)

Q. When is the likely start date for commencement of works on this project?

A. The first Tender for construction works involving the sewer relocation is proposed to be advertised this week end. The start date on site depends on the Contractor's program. It is anticipated that the Contractor would start site works during the December/January school holidays to minimise disruption and risks to the school activities.

14.0 URGENT BUSINESS APPROVED BY THE PRESIDING MEMBER OR BY DECISION

14.1 Nil.

15.0 MEETING CLOSED TO THE PUBLIC

15.1 Meeting Closed to the Public

Voting Requirements: Simple Majority

RESOLVED OCM 147/2014

That the meeting go behind closed doors to discuss Confidential Reports 10.1.5, 10.2.8 and 10.2.9.

Moved: **Cr Allan Morton**

Seconded: **Cr Dylan O'Connor**

Vote: **CARRIED UNANIMOUSLY (9/0)**

The meeting closed to the public at 7.25pm. All members of the public left the gallery. All Councillors and staff remained in the Chambers.

15.2 **Meeting Reopen to the Public**

Voting Requirements: Simple Majority

RESOLVED OCM 151/2014

That the meeting reopen to the public following consideration of Confidential Report 10.1.5, 10.2.8 and 10.2.9.

Moved: **Cr Margaret Thomas**

Seconded: **Cr Allan Morton**

Carried: **CARRIED UNANIMOUSLY (9/0)**

The meeting reopened to the public at 7.31pm. Five members of the public gallery returned.

The Chair read the resolutions of matters decided behind closed doors to the meeting.

16.0 CLOSURE

16.1 There being no further business, the Presiding Member declared the meeting closed at 7.35pm.

I confirm these Minutes to be a true and accurate record of the proceedings of this Council.

Signed: _____
Presiding Member

Dated this _____ day of _____ 2014