

Ordinary Council Meeting

Minutes for Monday 28 April 2014

CONFIRMED



**shire of
kalamunda**

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MINUTES

1.0 OFFICIAL OPENING

- 1.1 The Presiding Member opened the meeting at 6.35pm 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
Simon Di Rosso		North Ward
Noreen Townsend		South West Ward
Justin Whitten		South West Ward
Allan Morton		South West Ward
Geoff Stallard		South East Ward
Frank Lindsey		South East Ward
John Giardina		South East Ward
Andrew Waddell JP		North West Ward
Bob Emery		North West Ward
Dylan O'Connor		North West Ward

Members of Staff

Warwick Carter	A/Chief Executive Officer
Charles Sullivan	Director Infrastructure Services
Gary Ticehurst	Director Corporate Services
Darrell Forrest	Manager Governance
Sam Assaad	Manager Infrastructure Operations
Andrew Fowler-Tutt	Manager Development Services
Darren Jones	Manager Community Development
Peter Hayes	Internal Auditor
Nicole O'Neill	Public Relations Coordinator
Laurie Brennan	Media Advisor
Meri Comber	Governance Officer

Members of the Public 58

Members of the Press 1

2.2 Apologies

Councillors

Margaret Thomas	North Ward
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2.3 Leave of Absence Previously Approved Nil

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 are summarised.

3.1 Tim Colgate from Walliston asked the following questions, all were taken on notice by the Presiding Member.

Q1. The concept plan for the site that was submitted with the EPBC referral shows no firebreaks. How will the elderly residents be protected if there is a fire in the adjoining reserve on the eastern boundary of the site?

Q2. What is the bushfire hazard level and bushfire attack level for the proposed development area?

Q3. Given the rocky geology of the site, what impact will construction have on nearby residents and their houses? Will the Shire or the developers be liable to pay compensation for any structural damage?

Q4. How will the proposed facility impact on traffic to and from the Walliston industrial area and at the heavily-congested Lesmurdie/Canning Rd roundabout?

Q5. Will the existing residents of Wilkins Road and Lesmurdie Rd East be required to connect to the sewer system? If so, what is the anticipated cost for the residents?

Q6. In houses along Wilkins Rd and Lesmurdie Rd East, the water pressure is already quite low. Can the Shire guarantee that this development will not further reduce water pressure to the residents?

Q7. The reserve on Wilkins Rd forms a part of the Darling Range Regional Park, and almost all the vegetation on the site is assessed to be in very good or excellent condition, and black cockatoos and other wildlife inhabit the reserve. How can the Shire justify clearing this bush land when there are other potential aged care sites identified in the Local Planning Strategy – Sites that are not environmentally sensitive areas?

Q8. Along the Eastern boundary of the proposed area there is a Priority 1 zone of the Middle Helena Water Catchment. How does the Shire plan to preserve the status of this water catchment zone?

Q9. In pursuing this development proposal, what expenses has the Shire incurred and budgeted for? Will these costs be reimbursed by the developers or borne by ratepayers?

4.0 PETITIONS/DEPUTATIONS

4.1 Nil.

5.0 APPLICATIONS FOR LEAVE OF ABSENCE

5.1 Nil.

6.0 CONFIRMATION OF MINUTES OF PREVIOUS MEETING

6.1 RESOLVED OCM 54/2014

That the Minutes of the Ordinary Council Meeting held on 24 March 2014 are confirmed as a true and accurate record of the proceedings.

Moved: **Cr Andrew Waddell**

Seconded: **Cr Geoff Stallard**

Vote: **CARRIED UNANIMOUSLY (11/0)**

7.0 ANNOUNCEMENTS BY THE PRESIDING MEMBER WITHOUT DISCUSSION

Nil.

8.0 MATTERS FOR WHICH MEETING MAY BE CLOSED

8.1 **D&I 22. CONFIDENTIAL REPORT Consideration of Tenders – Transportation of Various Waste to Approved Disposal Sites (RFT 1402)**

Reason for Confidentiality *Local Government Act 1995 S5.23 (d) (c) – “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.”*

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. (Sections 5.60B and 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 and 5.71 of the *Local Government Act 1995*.)

9.1.1 Nil.

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.

- 9.1.2 Warwick Carter, Acting Chief Executive Officer disclosed an Interest Affecting Impartiality with regard to 10.1.3, Report D&I 17, Twenty Multiple Dwellings – Lots 24 (3) and 40 (5) Kalamunda Road, Kalamunda as his sister is related to the developer of 24 (3) Kalamunda Road.
- 9.2.2 Councillor Andrew Waddell disclosed an Interest Affecting Impartiality with regard to 10.1.9, Report D&I 21, Forrestfield Lions Community Markets – Application for Approval as his is a member of the Forrestfield Lions Club.

10.0 REPORTS TO COUNCIL

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

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

RESOLVED OCM 55/2014

Voting Requirements: Simple Majority

That recommendations D&I 16 to D&I 23 inclusive, contained in the Development & Infrastructure Services Committee Report of 14 April 2014 except withdrawn item D&I 21 be adopted by Council en bloc.

Moved: **Cr Simon Di Rosso**

Seconded: **Cr Dylan O'Connor**

Vote: **CARRIED UNANIMOUSLY (11/0)**

10.1.2 D&I 16 Shire of Kalamunda Community Health & Wellbeing Plan 2013-2016

EN BLOC RESOLUTION OCM 55/2014

That Council:

1. Adopts the Draft Shire of Kalamunda Community Health & Wellbeing Plan 2013-2016 as amended (Attachment 1).

Warwick Carter, Director Development Services disclosed an Interest Affecting Impartiality as his sister is related to the developer of 24 (3) Kalamunda Road

10.1.3 D&I 17 Twenty Multiple Dwellings – Lots 24 (3) and 40 (5) Kalamunda Road, Kalamunda

EN BLOC RESOLUTION OCM 55/2014

That Council:

1. Determines the use is consistent with the objectives of the residential zone and is therefore permitted.
2. Approves the application dated 28 February 2014 to build 20 multiple dwellings at Lots 24 (3) and 40 (5) Kalamunda Road, Kalamunda, subject to the following conditions:
 - a. The access way shall be suitably constructed, sealed and drained to the satisfaction of the Shire of Kalamunda.

- b. The crossover shall be designed and constructed to the satisfaction of the Shire of Kalamunda.
- c. Vehicle parking, manoeuvring and circulation areas to be suitably constructed, sealed, kerbed, line marked and drained to the satisfaction of the Shire of Kalamunda.
- d. The balcony screening, consisting of fixed obscure glazing, being maintained by the individual owner to the satisfaction of the Shire of Kalamunda's satisfaction.
- e. The proposed landscaping being planted within 28 days of the proposed development's completion, and maintained thereafter by the landowner (Strata management group) to the satisfaction of the Shire of Kalamunda.
- f. Stormwater being contained on site to the satisfaction of the Shire of Kalamunda.
- g. The applicant making the necessary arrangements for a waste bin contractor to enter the property and service the receptacles from the designated bin storage enclosures.
- h. The development shall be connected to reticulated sewer.
- i. A nuisance and noise assessment being submitted to and approved by the Shire of Kalamunda prior to the issue of a building licence.
- j. The external colour and material details of the proposed dwellings being provided to, and approved by the Shire of Kalamunda prior to the Building Licence being issued.
- k. A Construction Management Plan be prepared by the applicant addressing the following, but not limited to:
 - Construction Workers' Parking
 - Materials Delivery and Storage
 - Worker's ToiletsTo the satisfaction of the Shire of Kalamunda, prior to the issue of a Building Licence.

10.1.4 D&I 18 Proposed Structure Plan – Lot 399 (29) Sorensen Road, High Wycombe

EN BLOC RESOLUTION OCM 55/2014

That Council:

1. Adopts the structure plan for Lot 399 (29) Sorensen Road, High Wycombe, and forwards it to the WA Planning Commission for approval.

10.1.5 D&I 19 Modification to the Wattle Grove Cell 9 Structure Plan – Lot 101 (21) Sheffield Road, Wattle Grove

EN BLOC RESOLUTION OCM 55/2014

That Council:

1. Adopts the proposed modification to the Wattle Grove Cell 9 Structure Plan to increase the density coding of Lot 101 (21) Sheffield Road, Wattle Grove, from R20 to R30.
2. Forwards the modified Wattle Grove Cell 9 Structure Plan to the Western Australian Planning Commission for endorsement.

10.1.6 D&I 20 Amendment No. 62 to Local Planning Scheme No. 3 – Rezoning from Residential to Commercial - Lots 24 (518), 25 (516) and 26 (514) Kalamunda Road, High Wycombe

EN BLOC RESOLUTION OCM 55/2014

That Council:

1. Notes the submissions received in response to Amendment No. 62 to Local Planning Scheme No. 3.
2. 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. 62

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

- (a) Rezoning Lot 24 (518), 25 (516) and 26 (514) Kalamunda Road, High Wycombe, from Residential to Commercial.
3. Amends the Scheme Zoning Map and text accordingly.

4. Duly executes the Amendment documents and forwards them and the submission received to the Minister for Planning requesting final approval be granted.

**10.1.7 D&I 22 CONFIDENTIAL REPORT Consideration of Tenders –
Transportation of Various Waste to Approved Disposal Sites (RFT
1402)**

Reason for Confidentiality Local Government Act 1995 S5.23 (d) (c) – “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.”

EN BLOC RESOLUTION OCM 55/2014

That Council:

1. Award the tender for the Transportation of Various Waste to Approved Disposal Sites to West Tip Waste Control for a period of two years with two 12 month extensions to West Tip Waste Control for the hourly rate of \$94.50 excluding GST.
2. Allow escalation of Consumer Price Index (CPI) (Perth) for subsequent years after year one.

10.1.8 D&I 23 Trees, 7 Larix Way, Forrestfield

EN BLOC RESOLUTION OCM 55/2014

That Council:

1. Request the Chief Executive Officer to investigate and prepare a report for consideration by Council for the removal of a Marri tree and appropriate pruning of a Jarrah tree on the verge adjacent to 7 Larix Way Forrestfield.

For separate consideration

Councillor Andrew Waddell disclosed an Interest Affecting Impartiality with regard to Report D&I 21, Forrestfield Lions Community Markets – Application for Approval, as his is a member of the Forrestfield Lions Club. He left the Chambers at 6.40pm and returned at 6.41pm, he was not present for the vote.

**10.1.9 D&I 21 Forrestfield Lions Community Markets – Application for
Approval**

RESOLVED OCM 56/2014

That Council:

-
1. Resolves to approve the market for a trial period until 30 June 2015 subject to the following conditions being met:
- a. Market layout in accordance with the provided plan (attachment 2).
 - b. All food stalls will need to comply with the requirements of the *Food Act 2008* and the Australian New Zealand Food Standards Code and will require application and approval by the Shire Health Service.
 - c. That following each market day the facility and surrounding area is returned to its pre-event condition.
 - d. That a revised risk management plan is submitted within six months of commencement of market which is specifically tailored to the operation of the Forrestfield Lions Community Market.
 - e. That indemnity insurance of \$20 million to indemnify the Shire of Kalamunda against any claim arising in respect of public liability is maintained by the Lions Club of Forrestfield High Wycombe for the duration of the licence.
 - f. A permanent facility booking for the period January to June 2015 is made.

Payment of \$259.60 (Licence fee until 30 June 2014).

Moved: **Cr Noreen Townsend**

Seconded: **Cr Dylan O'Connor**

Vote: **CARRIED UNANIMOUSLY (10/0)**

10.2 Corporate & Community Services Committee Report

10.2.1 Adoption of Corporate & Community Services Committee Report

RESOLVED OCM 57/2014

Voting Requirements: Simple Majority

That the recommendations C&C 13 to C&C 14 inclusive, contained in the Corporate & Community Services Committee Report of 22 April 2014 be adopted by Council en bloc.

Moved: **Cr Noreen Townsend**

Seconded: **Cr John Giardina**

Vote: **CARRIED UNANIMOUSLY (11/0)**

10.2.2 C&C 13 Debtors and Creditors Report for the Period Ended 31 March 2014

EN BLOC RESOLUTION OCM 57/2014

That Council:

1. Receives the list of payments made from the Municipal Accounts in March 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 March 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 March 2014.

10.2.3 C&C 14 Rates Debtors Report for the Period Ended 31 March

EN BLOC RESOLUTION OCM 57/2014

That Council:

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

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 March 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 Statement of Financial Activity for the nine months to 31 March 2014 incorporating the following: <ul style="list-style-type: none">• 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
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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 2012/2013 financial position is now audited, the opening funding position in the Statement of Financial Activity has now been changed to reflect the audited position.

4. The budget column reflected matches to the revised budget approved by Council at its meeting on 24 March 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 nine months to 31 March 2014

6. This Statement reveals a net result surplus of \$10,813,847 against revised budget for the same period of \$10,283,668.

Revenue

7. Total Revenue is under budget by \$234,306. This is made up as follows:
 - Rates are under budget by \$331,095. The variance is made up of delays in the receipt of ex-gratia rates and the recognition of prepaid rates which is a year-end transaction. The interim rating will be finalised by next month.
 - Operating Grants, Subsidies and Contributions are slightly under budget by \$65,840. The main variations relate to:
 - Delays in receipt of a grant from Medicare (\$53,370) to cover the Community Aged Care Packages (CACP) programme. The delay is being experienced by various agencies running similar programmes. The Shire is currently following this up.
 - A timing issue on the receipt of funds from Lotteries West for \$20,000 related to events programming for the Corymbia Festival.
 - Fees and charges is over budget by \$96,823 mainly related to the recovery of debt collection charges by rates and a timing issue related to raising of lease and licence charges.
 - Interest earnings are over budget by \$64,040 due to the timing of maturing short term investments. In the coming months, the income potential from this revenue stream will be reduced as the Shire commences the drawdown of cash to fund recurrent and non-recurrent expenditure.
 - Other Revenue is over budget by \$1,766, which mainly relates to infringements based on successful prosecutions. Most "Other Revenues" comprise of various fines and penalties which are difficult to predict.

Expenditure

8. Total expenses are under budget by \$2,077,044. The significant variances within the individual categories are:
- Employment Costs are under budget by \$681,362 due to some vacant positions in various business units and back pay yet to be paid as a result of the enactment of the new Enterprise Bargaining Agreement (EBA). Savings identified have already been applied in the adopted March statutory budget review.
 - Materials and Contracts is under budget by \$1,033,242 largely due to:
 - Contractor Waste and Verge Collection is under budget by \$544,360 due to timing of invoices. As the skip bins is a new service the budget will be reviewed following an assessment of utilisation levels.
 - Programme expenditure for Community Care services is under budget by approximately \$224,804. This is due to the lower volume of services being requested. A marketing strategy is being developed to raise community awareness of the services available.
 - The Building Maintenance area is running below budget by \$185,218. This is due to a timing issue with all funds to be expended by the end of the financial year.
 - Utilities were under budget by \$157,695. The main variance is coming from the Street Lighting component with an amount of \$178,305 below budget. Adjustments have been made in the statutory mid-year review and the account will be closely scrutinised over the remaining months.
 - Insurance Expense is under budget by \$20,937 which is within the reporting threshold.
 - Other Expenditure is over budget by \$113,263, which is primarily due to timing differences for project based expenditure and donations to community groups.
 - The Interest Expense is slightly under budget by \$11,948, 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 slightly under budget, reporting a variance of \$58,597 or 0.6% of the total depreciation budget.

Non-Operating Grants

9. Non-Operating Grants are under budget by \$202,240 this is principally a timing issue. This component is made up of various infrastructure projects which are due to commence in the coming months. The majority relate to road grants with claims commencing shortly as Federal Assistance Grants Scheme and Main Roads Regional Grants claims are lodged.

Profit / (Loss) on Asset Disposals

10. The variance of \$1,077,840 relates mainly to property sales. This is primarily due to the delay on the sale of the Lewis Road property. The prospective buyers finance application has been unsuccessful resulting in the Shire reviewing its options on the sale.

Draft Statement of Comprehensive Income by Program for the nine months to 31 March 2014

11. The overall result comments are as above and generally each Program is within accepted budget except for Education and Welfare and Community Amenities. Major variances have been reported by Nature and Type under points 7 to 13 above.

Draft Statement of Financial Activity for the nine months to 31 March 2014

12. The results to 31 March 2014 disclose a closing surplus of \$15,056,878 made up of:
- Overall income, excluding rates, is under budget by \$981,051 with the bulk of the variance being Grants and Contributions, Profit on Asset Disposal and Interest Earnings as previously explained in Point 7 and 10 of this report.
 - Expenditure is \$2,044,574 under budget forecast with the main variance in Employment Costs and Materials and Contracts. 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 has incurred \$4,567,606 against the budget of \$ 6,718,851. A critical review is underway on ongoing projects or projects yet to commence to determine any carryovers into 2014/2015.
 - There is \$233,348 unspent on land and building renewal. This is due to a timing difference with most projects on track for completion by year end.
 - Rates generation is under budget and the variance of \$331,095 relates to timing of ex-gratia rates and prepaid rates as explained previously in Point 7.
13. The closing current position of \$15,056,878 is above the revised budget of \$9,091,927. This is due to project based activities still in progress.

Draft Investments Schedule as at 31 March 2014

14. A total of \$31.63 million is in term deposits or online savings accounts which reflects a reduction of \$2.84 million compared to February 2014. This is attributed to a reduction in rates collection following receipt of final rates instalment in February.

15. The above is represented by:

Municipal Funds	Reserve Funds	Trust Monies
\$16,688,223	\$2,114,507	\$12,830,905 (includes amounts for Public Open Space of \$2,330,791)

16. Average interest rates on term deposits have dropped significantly with current investment rates between 3.0% and 3.50%. The Reserve Bank of Australia (RBA) cash rate is at 2.5% with a low probability of further rate cuts with inflation currently trending at 2.7%.

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

Draft Statement of Financial Position as at 31 March 2014

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

19. Net Current Assets (Current Assets less Current Liabilities) show a positive result of \$14.9 million. The un-restricted cash position has a positive position of \$16.68 million when compared against the previous year unrestricted cash holding of \$9.68 million. This is principally due to the delayed capital expenditure.

20. Trade and other receivables comprise of rates and sundry debtors totalling \$1.9 million outstanding.

- The rates balance has reduced by \$0.8 million in the month. This represents a collection rate of 96% to date. Debt collection strategies are being rigorously enforced to assist in collections.

21. Sundry debtors have reduced slightly to \$147,456 outstanding. The main overdue sundry debtors are:

- Western Power \$6,651 for repairs on damaged storm water pipes. This payment will be received shortly.
- Lesmurdie Tennis Club \$24,000 being an overdue contribution for the clubhouse re-fit and extension. The Club has been given a final opportunity to pay the balance before the Shire pursues debt collection measures.

-
22. Fixed Assets additions are below last year's actuals to date by \$157,118 in the asset category of Property, Plant and Equipment. Strategies are being put in place to improve the delivery of infrastructure projects.
23. Provisions for annual and long service leave are currently stable at \$2.1 million. It is expected this will 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 to bring this liability down to a more manageable level.
24. Long term borrowings are at \$7 million. The Shire has no plans to extend its loan portfolio in 2013/2014.

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	<ul style="list-style-type: none"> 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 March 2014 demonstrate the Shire has managed its budget and financial resources effectively.

Voting Requirements: Simple Majority

RESOLVED OCM 58/2014

That Council:

- Receives the draft monthly financial statements for the eight months to 31 March 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 Andrew Waddell**

Seconded: **Cr Justin Whitten**

Vote: **CARRIED UNANIMOUSLY (11/0)**

Attachment 1

Draft Statement of Financial Activity for the nine months to 31 March 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 Quotations Received for Review of Financial Management Systems and Chief Executive Officer Contract Adherence Review

Previous Items	OCM 06/2014;OCM 48/2013
Responsible Officer	Internal Auditor
Service Area	Director Corporate Services
File Reference	
Applicant	N/A
Owner	N/A
Attachment 1	Summary of Quotations Received
Attachment 2	Quotation from Grant Thornton
Attachment 3	Quotation from Deloitte

PURPOSE

1. To consider quotations received for an external audit review of the Shire of Kalamunda Financial Management Systems and a Chief Executive Officer contract review.
2. To endorse the action proposed by the Chief Executive Officer (CEO) to address the request by Council on 22 April 2013, and comply with Regulation 5 of the *Local Government (Financial Management) Regulations 1996* and the legislative changes to the *Local Government (Audit) Regulations 1996*.

BACKGROUND

3. Council has requested the CEO to undertake:
 - Financial Management Systems review
 - CEO Contract Adherence review
 - Policy Adherence Review.
4. Amendments to the *Local Government (Audit) Regulations 1996* include:
 - Reviewing the CEO's report on the appropriateness and effectiveness of local governments systems in regard to risk management, internal control and legislative compliance; and reporting the results of the Committees (Audit & Risk Committee) consideration of that review, to the Council.
 - The review process is to occur at least once in every two calendar years with the first review of each of the three areas to be completed by the CEO, reviewed by the Audit & Risk Committee and reported to Council by 31 December 2014.
5. The Policy Adherence review has been deferred to the next financial year while new policies are developed for adoption by Council and current policies reviewed and updated.

6. Three external organisations were invited to provide quotations for audit services to undertake a Financial Management Systems Review and a CEO Contract Adherence Review. Two organisations, Grant Thornton and Deloitte provided a quotation. The third organisation, Price Waterhouse, advised that they were not prepared to provide a proposal at this time.

STATUTORY AND LEGAL CONSIDERATIONS

7. *Local Government Act 1995*
Local Government (Financial Management) Regulations 1996
Local Government (Audit) Regulations 1996

POLICY CONSIDERATIONS

8. Nil.

COMMUNITY ENGAGEMENT REQUIREMENTS

9. Nil.

FINANCIAL CONSIDERATIONS

10. There could be significant cost savings if the review, with the exception of the CEO Contract Review, was conducted in-house.

STRATEGIC COMMUNITY PLAN

Strategic Planning Alignment

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

Strategy 6.3.3 Regularly review the organisations structure and procedures in response to changing circumstances.

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

SUSTAINABILITY

Social Implications

12. Nil.

Economic Implications

13. Nil.

Environmental Implications

14. Nil.

RISK MANAGEMENT CONSIDERATIONS

15.	Risk	Likelihood	Consequence	Rating	Action/Strategy
	Failure to adopt the recommendations relating to the review of Financial Management Systems and CEO Contract Adherence Review.	Unlikely	Major	Medium	Comply with legislative requirements.

OFFICER COMMENT

16. The quotations for audit services is summarised (Attachment 1) with copies of the quotations included (Attachment 2 and 3). The quotation by Deloitte for the Financial Systems Audit is considerably higher than Grant Thornton. The quotation by Grant Thornton differs in approach to Deloitte with lower hourly rates and both organisations heavily dependent on the cooperation of the Shire's senior and operational staff for consultation and provision of information and data.
17. Both firms have indicated if there is any additional work, they will charge based on an hourly rate, as per their respective quotes.
18. The quotations for audit services are summarised (Attachment 1) with copies of the quotations included (Attachments 2 and 3). There is a significant variation between the quotations provided by Deloitte and Grant Thornton. The Grant Thornton quotation is based on Shire Staff being made available to work in partnership with the consultant through the provision of information and data to deliver the required outcome. By contrast the quotation provided by Deloitte involves considerably less Shire staff involvement with the majority of the work by the Consultants. Accordingly, the quotation provided by Grant Thornton is considered preferable not only based on price but also because it offers the opportunity to transfer knowledge to Shire Staff which will be valuable in their ongoing development.
19. Both organisations have been used in the past. Grant Thornton for Fringe Benefits Tax advice, and Deloitte for two forensic audits. Both organisations have provided an excellent service.
20. Changes to the audit regulations now means the work being undertaken by the Internal Auditor on a Financial Managements Systems review, which includes an expanded review of risk management, internal control and legislative compliance, can be completed in-house over a two year period to comply. This is acceptable to the Department of Local Government and Communities and can be completed within the desired time frame. It will save the Shire between \$8,625 and \$35,090 (exclusive of GST) if this work is completed by the Internal Auditor as part of the Internal Audit Plan approved by Council in March 2014.

21. The CEO Contract Adherence review and Policy Adherence review is not part of the internal audit and should be conducted by independent external auditors. Grant Thornton quoted \$1,875 for 2014 and 2016 compared to \$11,250 by Deloitte for 2014.

A Councillor asked, as the external auditor was working with an internal auditor, if the process would still have credibility. The Director Corporate Services indicated that in normal practise the internal audit supports the external audit function and all auditing standards will be adhered to. A view has been taken that the financial systems controls type of audit can comfortably be carried out within the internal audit program, whilst the second part with regard to the Chief Executive Officer performance review should be handled independently. A Councillor asked if the external auditor will "sign-off" on the whole process and the Director Corporate Services confirmed that this was the case, he noted the final report would then be taken to the Audit & Risk Committee.

Voting Requirements: Simple Majority

RESOLVED OCM 59/2014

That Council:

1. Supports the completion of the Financial Management Systems Review by the Internal Auditor for 2014 with a further review for 2016.
2. Appoints Grant Thornton to undertake a Chief Executive Officer Contract Adherence Review in 2014 for a fee of \$1,875 (exclusive of GST).

Moved: **Cr John Giardina**

Seconded: **Cr Allan Morton**

Vote: **CARRIED UNANIMOUSLY (11/0)**

Attachment 1

Summary of Quotations Received for Financial Management Review and CEO Contract Adherence Review

Financial Management Review

		2014 Cost (ex GST)		2016 Cost (ex GST)
Deloitte	Hours		Hours	
	16.5			
Phase 1 - Plan	hours	\$5,090	16.5 hours	\$5,090
Phase 2 to 4 - Understand, Evaluate and Report	Not specified	\$30,000	Not specified	\$30,000
Total		<u>\$35,090</u>		<u>\$35,090</u>
Grant Thornton	75 hours	\$8,625	60 hours	\$6,900

CEO Contract Adherence Review

Deloitte	47 hours	\$11,250	Not specified	Not specified
Grant Thornton	15 hours	\$1,875	15 hours	\$1,875

Fee schedule for any additional work

	Hourly Rate	Hourly Rate
Deloitte		
Partner	\$370	
Director	\$300	
Manager	\$250	
Senior Analyst	\$180	
Graduate	\$110	
Grant Thornton	CUA 23706	Non- CUA 23706 Matters
Partner	\$194	\$475
Associate Director	\$194	\$350
Manager	\$124	\$315
Senior	\$113	\$230
Intermediate	Not specified	\$200

CUA 23706 is a contract rate for audit services and financial advice applicable to state and local governments who use the services of certain firms.

Attachment 2

Quotation from Grant Thornton

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

Attachment 3

Quotation from Deloitte

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

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

10.3.3 Canberra Advocacy and Conference Attendance – National General Assembly of Local Government Conference 2014

Previous Items	N/A
Responsible Officer	Chief Executive Officer
Service Area	Office of the CEO
File Reference	
Applicant	N/A
Owner	N/A
Attachment 1	National General Assembly of Local Government 2014 Brochure
Attachment 2	Conference Attendance and Professional Development for Elected Members (Adopted August 2013)

PURPOSE

1. To consider and endorse the Shire President and the Chief Executive Officer of the Shire of Kalamunda attendance at the National General Assembly of Local Government Conference 2014.
2. To agree the major initiatives and projects to be advocacy priorities for discussion with Ministers during the visit to Canberra.

BACKGROUND

3. The National General Assembly (NGA) of Local Government is the premier local government event bringing together more than 800 mayors, councillors and senior officers from across Australia to discuss and develop government policy ideas.
4. The NGA is an opportunity to meet key federal politicians and to advocate for major capital project funding. The Prime Minister, Leader of the Opposition, ministers and shadow ministers have been invited to attend the conference.
5. This year is the 20th NGA and is an opportunity for local government to celebrate its achievements during this time and to focus on the future.

DETAILS

6. The National General Assembly of Local Government Conference 2014 will be held from 15 to 18 June 2014 at the National Convention Centre in Canberra.
7. The NGA 2014 theme is "Getting Down to Business". The theme invites delegates, councils and interested stakeholders to reflect on the roles and responsibilities of local government, its funding and relative place in the Federation. It is a theme that challenges local governments to define for themselves what business local government is in; the resources the sector needs and what should be expected from the Commonwealth.

-
8. The NGA is an opportunity for the Shire of Kalamunda to consolidate, and establish, industry networks. It also provides advocacy opportunities which are not easily available to Western Australian local governments.
 9. A report on the Conference will be presented to Council at the Ordinary Council Meeting on 22 September 2014.
 10. Meetings will be sought with key Ministers to discuss the following major indicatives and projects currently being pursued by the Shire.

1. Abernethy Road upgrade

To discuss the possibility of Federal Government funding to upgrade the section of Abernethy Road from Dundas Road through to Kalamunda Road, including the duplication of the railway bridge to allow future duelling of Abernethy Road. It is anticipated a project of this nature will be in the order of \$15million dollars. However this is a critical piece of infrastructure to enable access into the airport precincts from the east.

2. Woodlupine Digital Community Hub and library

To investigate future Federal grant funding opportunities for major community facilities.

3. Pioneer Park Development and Hartfield Park Stage 2

To investigate the potential for Federal Government funding for a collocated sports facility at Pioneer Park and the development of Stage 2 of Hartfield Park Masterplan.

4. Hills Trails Master Plan

To investigate funding opportunities for implementing the trails as outlined in the Perth Hills Master trail plan.

5. Perth Hills Tourism Strategy

To provide an overview to Federal Ministers about the direction being pursued for Tourism in the Perth Hills.

6. Aged Care Accommodation and services

To highlight the ongoing issues of aged care in the Shire and the need for the Federal government to reconsider its federal government environmental processes when aged care sites are being identified.

STATUTORY AND LEGAL IMPLICATIONS

11. Nil.

POLICY IMPLICATIONS

12. Conference Attendance and Professional Development for Elected Members (Adopted August 2013) (Attachment 2).

PUBLIC CONSULTATION/COMMUNICATION

13. Nil.

FINANCIAL IMPLICATIONS

14. The Conference Registration is \$999 (including GST) per person and includes attendance at the welcome function, conference sessions, morning and afternoon tea and lunch.
15. Attendance at the Buffet Dinner on the 16 June and the General Assembly Dinner to be held on 17 June are additional.
16. All conference, travel costs and accommodation arrangements will be made and paid for by the Shire of Kalamunda. An allocation for conference attendance is included in the 2013/2014 Budget as adopted by Council.
17. Estimated Cost of two delegates attending National General Assembly of Local Government Conference 2014:

Registration	\$1,998.00
Buffet Dinner (16 June)	\$200.00
General Assembly Dinner (17 June)	\$260.00
Airfare (Virgin Saver)	\$1,200.00
Accommodation (3 nights)	\$1,500.00
Incidentals (\$50 per day)	\$300.00
Total Estimated Cost	\$5,458.00

STRATEGIC AND SUSTAINABILITY IMPLICATIONS

Strategic Planning Implications

18. Nil.

Sustainability Implications

Social Implications

19. Nil.

Economic Implications

20. Nil.

Environmental Implications

21. Nil.

RISK MANAGEMENT CONSIDERATIONS

22.

Risk	Likelihood	Consequence	Action/Strategy
Loss of opportunity to consolidate, and establish industry and federal political networks.	Possible		Alternative opportunities would be required to maintain relationships.
Loss of funding opportunities from the Federal government.	Possible		Ongoing advocacy is key to ensuring that government funding can be secured for major initiatives.

OFFICER COMMENT

23. The Conference program is provided as Attachment 1. The program details the speakers and topics which will be covered during the Conference sessions.
24. Meeting will be sought with relevant key Federal Ministers and advisors to discuss the major issues of concerns for the Shire that also have a Federal government links.

A Councillor noted that there is a program of presentations and meetings with Ministers to discuss certain local issues, could this be expanded to include some discussion to do with the very poor band width that is available to internet users in this area and some encouragement to the government to prioritise our suburbs for any proposed NBN rollout. The Presiding Member noted this would be discussed with the Chief Executive Officer and included in their program.

Voting Requirements: Simple Majority

RESOLVED OCM 60/2014

That Council:

1. Approves that the Shire President, Councillor Sue Bilich, and the Chief Executive Officer attend the National General Assembly of Local Government Conference 2014, to be held in Canberra from 15 to 18 June 2014, and that all conference, travel and accommodation costs be borne by the Shire of Kalamunda.
2. Agrees the major initiatives and projects for presenting to Ministers during the visit to Canberra will be :
 1. Abernethy Road Upgrade
 2. Woodlupine Digital Community Hub and library
 3. Pioneer Park and Hartfield Park Regional Sporting Developments
 4. Hills Trails Master Plan
 5. Perth Hills Tourism Strategy
 6. Aged care accommodation and services

3. Requests the Chief Executive Officer provide a report on the outcomes of the Conference to Councillors.

Moved: **Cr Noreen Townsend**

Seconded: **Cr Justin Whitten**

Vote: **CARRIED UNANIMOUSLY (11/0)**

Attachment 1

National General Assembly of Local Government 2014 Brochure

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

Attachment 2

C-EM01 – Conference Attendance and Professional Development for Elected Members

Management Procedure	Relevant Delegation
CM-EM01 – Conference Attendance and Professional Development for Elected Members	N/A

Purpose

To enable Elected Members to develop and maintain skills and knowledge relevant to their role as a representative of the Shire.

Policy Statement

In recognition of the complexity and demands on Elected Members in undertaking their role, the Shire of Kalamunda is committed to providing funding within the Annual Budget to enable attendance at Conferences or Professional Development training that has relevance to that role.

Elected Members are encouraged to attend appropriate Conferences and Training to enable them to be more informed and better able to fulfil their duties of Office.

Conferences and Training that May be Attended

The Conferences and Training to which this Policy shall generally be applicable to are:

- West Australian Local Government Association and Australian Local Government Association annual conferences.
- Special “one off” conferences called for or sponsored by the West Australian Local Government Association and / or Australian Local Government Association on important issues.
- Annual conferences of the major professions in local government and other institutions of relevance to local government activities.
- West Australian Local Government Association Elected Member Training and Development.
- Training relating to the role of Elected Members.
- Other local government-specific training courses, workshops and forums, relating to such things as understanding the roles / responsibilities of Elected Members, meeting procedures, etc.

The Chief Executive Officer is authorised to approve one request for each Elected Member per annum to attend any Conference or Training within the above categories providing funds are available. Council approval is required in all other instances.

Accompanying Person

Where an elected member is accompanied at a conference, all costs for or incurred by the accompanying person including but not limited to travel, casual meals, registration and / or participation in any conference programs, are to be borne by the accompanying person and not by the Shire. The exception to the above being the cost of attending any official conference meal where partners would normally attend or organised meal that Council delegates are attending.

An accompanying person's registration, and program fees, are to be paid direct to the conference organiser at the time of registration or if prepaid by Shire to be reimbursed prior to attendance at the conference.

Related Local Law
Related Policies
Related Budget Schedule
Legislation
Conditions
Authority
Adopted
Next Review Date

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

10.3.4 Report to Council following Special Meeting of Electors April 2014

Previous Items	Nil
Responsible Officer	Chief Executive Officer
Service Area	Governance
File Reference	
Applicant	N/A
Owner	N/A
Attachment 1	Minutes of the Special Electors Meeting 14 April 2014

PURPOSE

1. To consider the outcomes of the Special Meeting of Electors (SEM) (Attachment 1).

BACKGROUND

2. Pursuant to section 5.28 of the *Local Government Act 1995* (the Act), the Shire President was presented with a valid petition 24 March 2014 demanding that a Special Meeting of Electors be held to consider a range of issues associated with the current proposed reform of local government within the Perth Metropolitan Region.
3. In accordance with the provisions of section 5.28 (4) of the Act the Special Electors Meeting (SEM) was held on 14 April 2014.

DETAILS

4. Section 5.33 of the Act requires all decisions made at an Electors meeting are to be considered at the next available Ordinary Council Meeting. In addition, the reasons for a decision made at a Council Meeting in response to a decision made at an Electors Meeting are to be recorded in the minutes of the Council Meeting.
5. The items of Business and the decisions made at the SEM are:

3.1 TO DISCUSS METROPOLITAN LOCAL GOVERNMENT REFORM WITH A VIEW TO ENCOURAGE THE SHIRE TO EXPEND RATEPAYERS FUNDS TO FIGHT THE PROPOSED TAKEOVER OF THE SHIRE OF KALAMUNDA IN ANY WAY POSSIBLE.

Motion SEM 04/2014

That the Shire commits the necessary resources to fight, by any means available to it, any forced amalgamations or takeover of the Shire of Kalamunda.

3.2 TO PROVIDE ELECTORS VIEWS ON THE THREE PROPOSALS TO THE LOCAL GOVERNMENT ADVISORY BOARD – NUMBERS 15, 8 AND 5/2013 AND TO OUTLINE A NEW PROPOSAL THAT RECOMMENDS THE SHIRE REMAIN AS IS.

Motion SEM 05/2014

That we the ratepayers endorse the actions of the *Save Kalamunda Shire Action Group* as representative of the broader Kalamunda Shire Community in reinforcing its position to the Shire of Kalamunda Council that:

- a. It does not support any of the proposals with respect to the Shire of Kalamunda currently before the Local Government Advisory Board.
- b. There by NO Amalgamations with any other local government.
- c. That Council prepares a media release to the Community that states Council's position on Local Reform is that it does not wish to merge with any other local government and that Council concurs with the sentiment of its Community.

3.3 TO REQUEST DETAILS OF THE SUPPORT BY THE SHIRE TO THE SAVE KALAMUNDA SHIRE ACTION GROUP.

Motion SEM 06/2014

As electors of the Shire of Kalamunda, we request that the Council authorise the Chief Executive Officer to work with the *Save Kalamunda Shire Action Group* to provide support for ongoing community education and consultation with respect to local government reform.

3.4 TO REQUEST FINANCIAL SUPPORT BE ALLOCATED TO THE SAVE KALAMUNDA SHIRE ACTION GROUP.

Motion SEM 07/2014

That Council:

Provide financial support to the *Save Kalamunda Shire Action Group* to assist in defraying the costs of the action campaign that have already occurred in support of the Council's preferred position of "No Amalgamation". It is requested that Council provide an amount of \$15,000 to help with these expenses and further outlays that will occur during the remainder of the 2013/2014 financial period.

Motion SEM 08/2014

That Council:

Provide financial support in the 2014/2015 financial period to assist in the continuation of this campaign against amalgamation and that an amount of \$20,000 be allocated to the *Save Kalamunda Shire Action Group* and be included in the 2014/2015 budget.

3.5 TO REQUEST THE SHIRE OF KALAMUNDA TO SEEK LEGAL ADVICE RELATING TO LEGALITY OF A BOUNDARY CHANGE TO SUBSUME THE ENTIRE DISTRICT WITHOUT THE ELECTORS HAVING A SAY IN SUCH A DECISION

Motion SEM 09/2014

That Council:

- a. On behalf of its ratepayers investigate all possible legal avenues that may enable the Shire of Kalamunda to mount a legal challenge that would seek to terminate the proposed process of local government reform being forced upon the Kalamunda community.
- b. Be advised that we the Shire of Kalamunda Ratepayers give full support to the Shire of Kalamunda Council to approve the expending of ratepayers funds if and when required for a legal pursuit against the State Government, or the Minister, or the Local Government Advisory Board to assist in ensuring the proposals to abolish the Shire of Kalamunda are terminated.
- c. That the Shire Council seek an injunction against the Local Government Advisory Board until the Minister's proposal is in full compliance with the *Local Government Act 1995* Schedule 2.1 2(2)

STATUTORY AND LEGAL CONSIDERATIONS

6. Section 5.33 of the Act requires the Council give consideration to decisions made at an Electors' meeting.

POLICY CONSIDERATIONS

7. Nil.

COMMUNITY ENGAGEMENT REQUIREMENTS

8. Community engagement and consultation occurred as part of the SEM. There will be additional community engagement as part of the implementation of the resolutions passed at the SEM.

FINANCIAL CONSIDERATIONS

9. Some expense will be incurred in undertaking the community engagement with respect to local government reform issues. Specific details of these cost will be presented to Council when known.
10. The request for a donation of \$15,000 has not been included in the 2013/14 budget, however the CEO Donation account 150710.573 which currently has a budget of \$4000 allocated will be used and will be overrun by \$15,000 should Council agree to the donation.

STRATEGIC COMMUNITY PLAN

Strategic Planning Alignment

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

OBJECTIVE 6.4 To engage regularly and proactively with the community.

SUSTAINABILITY

Social Implications

12. Nil.

Economic Implications

13. Nil.

Environmental Implications

14. Nil.

RISK MANAGEMENT CONSIDERATIONS

15.

Risk	Likelihood	Consequence	Rating	Action/Strategy
That Council does not consider the resolutions passed at the SEM.	Unlikely	Major	Medium	Sufficient information is provided to Council to ensure there is compliance with the requirements of the legislation with respect to resolutions passed at the SEM.

OFFICER COMMENT

16. With reference to SEM 09/2014 the Shire does not support the motion as stated " *that the Shire Council seek an injunction against the Local Government Advisory Board until the Minister's proposal is in full compliance with the Local Government Act 1995 Schedule 2.1 2(2).*
17. Until such time as legal advice is provided that clearly indicates an injunction is a feasible solution the Shire would not seek to expend funds on a legal injunction that may not be held up in a Court of law.
18. Once legal advice is provided then a report will be brought to Council outlining the efficacy of pursuing an injunction.

Voting Requirements: Simple Majority

RECOMMENDATION

That Council:

1. Receives the Minutes of the Special Electors Meeting of 14 April 2014 (Attachment 1).
2. Endorses recommendations SEM 04/2014, 05/2014 and 06/2014.
3. In response to recommendation SEM 07/2014 provides an amount of \$15,000 to the Save Kalamunda Shire Action Group.
4. In response to recommendation SEM 08/2014 requests that the Chief Executive Officer list for consideration in the 2014/15 Budget the request from the Save Kalamunda Shire Action Group for an allocation of \$20,000.
5. Endorses points a) and b) of recommendation SEM 09/2014.
6. In response to point c) of recommendation SEM 09/2014 requests the Chief Executive Officer seek appropriate advice as to whether there is a likelihood that a case can be mounted for an injunction against the Local Government Advisory Board.

Moved:

Seconded:

Vote:

A Councillor had requested that Points (3) and (4) be withdrawn for separate consideration; the Presiding Person acquiesced to this request.

The Acting Chief Executive Officer clarified that it was not necessary to put further conditions on Point (4) as at this stage it is only a Recommendation that it be listed in the Budget. Once budget considerations commence Council could add any necessary conditions.

A Councillor foreshadowed an Amendment to Point (3) to include the words "for properly documented expenditure". The Mover and Seconded were happy to accept the inclusion of these words. A further Amendment was proposed to include the words "to the satisfaction of the Chief Executive Officer" and this was also accepted by the Mover and Seconded.

A Councillor asked for confirmation that this would not impose a time lag on the ability of the Action Group to receive expenditure; the Acting Chief Executive Officer indicated funds could be transferred electronically and this should not take any longer to release the funds.

Councillors debated Part Two of the Recommendation Points (3) and (4).

Voting Requirements: Simple Majority

PART ONE RESOLVED OCM 61/2014

That Council:

1. Receives the Minutes of the Special Electors Meeting of 14 April 2014 (Attachment 1).
2. Endorses recommendations SEM 04/2014, 05/2014 and 06/2014.
5. Endorses points a) and b) of recommendation SEM 09/2014.
6. In response to point c) of recommendation SEM 09/2014 requests the Chief Executive Officer seek appropriate advice as to whether there is a likelihood that a case can be mounted for an injunction against the Local Government Advisory Board.

Moved: **Cr John Giardina**

Seconded: **Cr Geoff Stallard**

Vote: **CARRIED UNANIMOUSLY (11/0)**

Voting Requirements: Simple Majority

PART TWO RESOLVED OCM 62/2014

That Council:

3. In response to recommendation SEM 07/2014 provides an amount of \$15,000 to the Save Kalamunda Shire Action Group **for properly documented expenditure to the satisfaction of the Chief Executive Officer.**
4. In response to recommendation SEM 08/2014 requests that the Chief Executive Officer list for consideration in the 2014/15 Budget the request from the Save Kalamunda Shire Action Group for an allocation of \$20,000.

Moved: **Cr Andrew Waddell**

Seconded: **Cr Frank Lindsey**

Vote: **For**
Cr John Giardina
Cr Frank Lindsey
Cr Geoff Stallard
Cr Allan Morton
Cr Noreen Townsend
Cr Justin Whitten
Cr Andrew Waddell
Cr Dylan O'Connor
Cr Sue Bilich
Cr Simon Di Rosso

Against
Cr Bob Emery

CARRIED (10/1)

Reasons for this decision of Council in accordance with section 5.33 (2) of the *Local Government Act 1995*:

1. Recommendations SEM 04/2014, 05/2014 and 06/2014 – These recommendations are accepted and endorsed as the Council does not support any of the current proposals for local government reform with respect to the Shire of Kalamunda and is therefore supportive of the views of its local community and willing to provide assistance to it.
2. Recommendations SEM 07/2014 and SEM 08/2014 – Council has accepted these recommendations as it supports the aims of the Save Kalamunda Shire Action Group and is therefore willing to provide financial support to the group to assist its work in the community with respect to local government reform.
3. Recommendation SEM 09/2014 – Council has endorsed points a) and b) this recommendation as it has undertaken a significant amount of work and research that accords with these recommendations.
4. Recommendation SEM 09/2014 point c) – This recommendation is not support as stated as until such time as legal advice is provided that clearly indicates an injunction is a feasible solution the Shire would not seek to expend funds on a legal injunction that may not be held up in a Court of law.

Once legal advice is provided then a report will be brought to Council outlining the efficacy of pursuing an injunction.

Attachment 1

Minutes Special Electors Meeting 14 April 2014

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

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

10.3.5 Metropolitan Local Government Reform Update – Local Implementation Committee

Previous Items	OCM 53/2014 (24 March 2014) OCM 40/2014 (24 February 2014) OCM 154/2013 (23 September 2013) OCM 116/2013 (26 August 2013) OCM 31/2013 (25 March 2013) OCM 214/2011 (19 December 2011)
Responsible Officer	Chief Executive Officer
Service Area	Office of the Chief Executive Officer
File Reference	
Applicant	N/A
Owner	N/A
Attachment 1	Draft Memorandum of Understanding
Attachment 2	Draft Terms of Reference

PURPOSE

1. For Council to be provided with an update on the status of Metropolitan Local Government Reform with specific regard to the operation of the Local Implementation Committee (LIC) between the Shire of Kalamunda and the City of Belmont.
2. For Council to consider and endorse a revised Memorandum of Understanding (MOU) and a Terms of Reference (TOR) for the operation of the LIC.

BACKGROUND

3. In response to the Minister for Local Government's (the Minister) direction for a forced amalgamation to occur between the City of Belmont and the Shire of Kalamunda, Council at its meeting in August 2013 (OCM 116/2013) resolved inter alia that it would:
 1. *Establish a Local Implementation Committee (LIC) comprising the following Shire of Kalamunda representatives to progress the joint submission on the merger proposal:*
 - a. *The Shire President.*
 - b. *Chief Executive Officer.*
 - c. *Cr John Giardina.*
 - d. *Cr Noreen Townsend as a deputy representative for the LIC as required.*
4. With regards to the relationship between Belmont and Kalamunda, at its meeting of 25 November 2013 Council discussed at length the lack of progress in discussions with Belmont and moved a motion to host a joint meeting between the Shire of Kalamunda Councillors and the City of Belmont Councillors for the purpose of discussing:

The creation of a joint amalgamation steering group with the following Terms of Reference:

- *Develop a framework for negotiating any potential amalgamation.*
 - *Develop and implement a community awareness program.*
5. The Shire of Kalamunda invited the City of Belmont Councillors to a meeting to enable communications between the two organisations to commence. The meeting occurred on 3 February 2014 and the key outcome agreed was that the Belmont Council would consider putting a motion to allow officer level communications and planning to commence.
6. At its meeting in February 2014 Council endorsed a draft Memorandum of Understanding (MOU) to be presented to the City of Belmont for consideration. The draft MOU was developed to further strengthen the relationships between the two local governments. This approach also demonstrated to the government, the Local Government Advisory Board (LGAB), other stakeholders and the two organisations that there is a will to work cooperatively toward the best outcomes possible for the two communities. The draft MOU sets out the purpose and objectives of the agreement and the commitments by each participant in the areas of financials, human resources, communities, strategic planning and the management of assets. The commitments recognise the potential impacts on existing organisations and their people, both staff and community, and seek to minimise any disadvantage caused through the reform process.

DETAILS

7. To date the LIC, which was established in July 2013 by both Councils, has not met. Furthermore no forward planning has commenced between the two organisations towards the creation of the new entity.
8. The purpose of the draft MOU was to initiate a framework to commence the LIC process and the City of Belmont have recently advised that whilst they agree with the MOU they do not agree with the structure that allows for Councillors to be involved with the working groups and would make recommendations to the LIC. The City of Belmont do not believe they would have enough Councillors willing to be involved in the LIC process. It is their preference for work to be undertaken by staff project teams and developed operationally then brought to each of the respective Councils through the LIC.
9. The draft MOU shown as (Attachment 1) has now been adjusted to reflect this change.
10. The City of Belmont has drafted Terms of Reference (TOR) that provide for a governance framework for the LIC. The draft TOR are shown as (Attachment 2).

STATUTORY AND LEGAL CONSIDERATIONS

11. Section 2.1 and clause 2 of Schedule 2.1 of the *Local Government Act 1995*.

POLICY CONSIDERATIONS

12. Nil.

COMMUNITY ENGAGEMENT REQUIREMENTS

13. There is no requirement for the LIC to engage with the community.

FINANCIAL CONSIDERATION

14. Entering into the MOU and TOR carries no financial risk to the Shire of Kalamunda.
15. All costs associated with LIC will be funded from \$100,000 State Government grant as well as the Shire's operational budgets as required.

STRATEGIC COMMUNITY PLAN

Strategic Planning Alignment

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

OBJECTIVE 6.1 To ensure a highly effective and strategic thinking Council sets direction and works for the greater good of the community at all times.

Strategy 6.1.3 Increase advocacy efforts to influence State and Federal policy to achieve improved local outcomes.

SUSTAINABILITY

Social Implications

17. Nil.

Economic Implications

18. Nil.

Environmental Implications

19. Nil.

RISK MANAGEMENT CONSIDERATIONS

- 20.
- | Risk | Likelihood | Consequence | Rating | Action/Strategy |
|---|-------------------|--------------------|---------------|---|
| Planning for a possible outcome of a new entity is not commenced immediately. | Likely | Major | High | The commencement of talks through the LIC with its MOU and TOR will enable officers to commence planning processes to mitigate planning risk if a new entity is formed. |

Risk	Likelihood	Consequence	Rating	Action/Strategy
Discontinuity of Services and programs.	Likely	Major	High	Encourage Belmont and Kalamunda officers to commence early work, asset designations and program assessments.

OFFICER COMMENT

21. The draft MOU and the TOR are not a legally binding agreements, however they both formally acknowledge the commitment of each local authority to work together to implement any reform proposal outcome that may result from Governors Orders in August 2014.
22. The draft MOU and TOR may make it possible for the LIC to commence operating. The LIC is the mechanism that reports progress to the Metropolitan Reform Implementation Committee (MetRIC).
23. The Minister has made it clear that any local governments who are in a transition group and are not starting to plan for change may be at risk of being stood down and replaced with Commissioners under Governor's Orders.
24. It is unknown if the Minster will, or, has these powers at his disposal, but nevertheless, if the Governor's Orders are for an amalgamation or a boundary adjustment with or without poll provisions, there is still a significant risk that not doing any operational planning in the interim period will have a serious ramification on service delivery to the communities post July 2015.
25. It should be noted that whilst neither the Shire of Kalamunda nor the City of Belmont are willing partners to the reform process nor do either party want to participate in a Local Implementation Committee, it is imperative that the Councils take due care and responsibility to safeguard their communities from a dysfunctional organisation post July 2015.
26. If the proposed mergers go ahead effective 1 July 2015 operational imperatives such as agreed service delivery, key policies, delegations, organisational structures and reporting lines, as well as a budget, need to have been created in order to reduce the risk of service loss post July 2015.
27. The communities of Belmont and Kalamunda must understand that the two Councils have been given little or no choice in this matter and by not undertaking any operational forward planning over the next 12 months would not be in the best interest of the communities and likely to result in service failure.
28. Whilst it may be considered that by commencing any form of forward planning with the City of Belmont would be sanctioning the Government's reform Policy, it needs to be understood that is not the case and the Council has consistently opposed amalgamations unless a democratic vote of the community is granted.

Voting Requirements: Simple Majority

RECOMMENDATION

That Council:

1. Endorses the Memorandum of Understanding as shown in (Attachment 1).
2. Endorses the Terms of Reference as Shown in (Attachment 2).

A Councillor put a request to the Presiding Person that this item be deferred to a Special Council Meeting; this was accepted. A Councillor queried why the original Recommendation had not been put forward first and Manager Governance confirmed that as this is an Officer Recommendation, (and not a Committee Recommendation) the Presiding Person may accept the new Recommendation without putting the one noted in the Agenda.

The Presiding Member asked the Councillor to briefly explain why this matter should be moved to a Special Council Meeting. The Councillor indicated that more discussion should take place regarding working with the City of Belmont in case this should be interpreted that the Shire was happy to move in this direction.

The Acting Chief Executive Officer indicated that the reason for putting this item forward is to deal with the potential risks of not doing anything between now and when the decision is made by the Local Government Advisory Board. From the viewpoint of good management of a local government authority the Acting Chief Executive Officer suggested it is necessary to have these endorsed; this would not show a position Council doesn't support, but would ensure that the local authority is not dysfunctional on 1 July 2015. If Council's intention is to not proceed with this he suggested such a Motion be put, if, however, Council are going to proceed or would like more information, he suggested this come back to a Special Council Meeting in the coming fortnight. He indicated that to delay this for six months would further exacerbate the risks of how the local authority is run post 1 July 2015.

The Presiding Member indicated that she would discuss the timing of the meeting with Councillors at the conclusion of this meeting, but it will be as soon as possible. There was no Councillor debate and the Motion was put to the vote.

Voting Requirements: Simple Majority

RESOLVED OCM 63/2014

That Council:

1. That the Recommendation be deferred to a Special Council Meeting.

Moved: **Cr John Giardina**

Seconded: **Cr Andrew Waddell**

Vote:

For

**Cr John Giardina
Cr Frank Lindsey
Cr Geoff Stallard
Cr Allan Morton
Cr Justin Whitten
Cr Andrew Waddell
Cr Bob Emery
Cr Dylan O'Connor
Cr Simon Di Rosso
Cr Sue Bilich**

Against

Cr Noreen Townsend

CARRIED (10/1)

Attachment 1

MEMORANDUM OF UNDERSTANDING

BETWEEN CITY OF BELMONT AND THE SHIRE OF KALAMUNDA

(Hereinafter collectively referred to as the "Reform Partners")

WHEREAS:

The Minister for Local Government and Communities on 12 November 2013 announced the Government's proposals for reform of Local Government; and the proposal includes some suggestions relating to the amalgamation of some local governments and in some instances to boundary changes; and the Minister's proposal relating to the "Reform Partners" is summarised by the Department of Local Government and Communities on its website as follows:

- The Minister for Local Government has proposed a boundary amendment to incorporate the Shire of Kalamunda within the City of Belmont.
- The proposal includes a boundary amendment to transfer the parts of the localities of Hazelmere, South Guildford and an area of the Perth Airport from the City of Swan.
- The proposal also includes a boundary amendment to transfer part of the locality of Welshpool from the City of Canning.

The "Reform Partners" separately submitted proposals these are summarised as:

Shire of Kalamunda

- The amalgamation of the Shire of Kalamunda with the City of Belmont.
- The incorporating small portions of the City of Swan and City of Canning.
- New Entity to be based on equal representation.

City of Belmont

- Amend the City of Belmont boundary to incorporate the Shire of Kalamunda.
- Incorporating small portions of the City of Swan and City of Canning.

Whereas the "Reform Partners" are further aware that the reform involving the area of operation and jurisdiction of the "Reform Partners" may include certain areas presently falling within their boundaries; and The "Reform Partners" are aware that although they may have differing views with respect to the Government's proposal, for the sake of good governance and transparency, it is prudent to record the present thinking relating to a common approach to continued operational activities pending finalisation of the reform process; and although this Memorandum of Understanding (MOU) is not binding on the "Reform Partners", they agree to share information and data in order to ensure the Local Implementation Committee (LIC) is furnished with objective, well considered factual data, information and conclusions regarding the impacts and outcomes of the Government's and other submitters proposals.

NOW THEREFORE:

1. MOU OBJECTIVES

- 1.1 The purpose of this Memorandum of Understanding is to outline the general approach, lines of communication and commitments for the “Reform Partners” in the process of local government reform.
- 1.2 The “Reform Partners” desire to record their agreement and commitment to the process of local government reform even in the absence of agreement to the outcome of reform in as far as it relates to the area of operation or jurisdiction of the “Reform Partners”.
- 1.3 The purpose of this MOU is to establish intent and process as between the “Reform Partners”. The “Reform Partners” acknowledge that they will all be expending resources and time in relation to the proposed reforms whilst being required to maintain general operations and are therefore relying on one another in good faith in their commitment to openness and transparency in order to attain best value and least impact for the residents of the area of jurisdiction of the respective “Reform Partners”.
- 1.4 The MOU will facilitate the reform proposals, whether combined or not, to be progressed with and assist the development of a formal agreement between the “Reform Partners”, or some of them, once the proposals are assessed by the LGAB and recommendations to the Minister are accepted or rejected, and the resulting Governor’s Orders (if any) made on or about July 2014.
- 1.5 Any of the “Reform Partners” may withdraw from the understanding recorded herein by written confirmation of its intention to do so, and it is the intention that such withdrawal need not give rise to any claim for liability whatsoever on the part of any of the parties or any third party.
- 1.6 To ensure that data and information relevant to assessing the financial and other impacts of the Government’s proposals is shared between the “Reform Partners” to enable a factual assessment to be made by each of the Reform Partners as to the likely outcome and impacts of those proposals.
- 1.7 To ensure that at all times the “Reform Partners” will work to create a local government entity that will represent the best interests of the combined population within its boundaries.

2. COMMITMENTS

The “Reform Partners” understand they should exercise caution and endeavour to refrain from any financial commitments or actions that would impose an unfair burden on any entity that is the successor to any or all of the “Reform Partners” as a result of the reform process, such as, but not limited to:

2.1 Financial

- 2.1.1 Entering into any loan or guarantee commitments that will increase existing debt servicing repayment levels beyond what is reflected in the 2013/2014 Adopted Budgets and 2014/2015 Forward Budgets;
- 2.1.2 Committing to any self-supporting loan arrangements with third parties beyond what is reflected or planned in either 2013/2014 or 2014/2015 plans or budgets;
- 2.1.3 Committing to any long term grant funding beyond what is reflected or planned in either 2013/2014 or 2014/2015 plans and budgets;
- 2.1.4 The entering into of any new tenders for services or supplies that will extend beyond 1 July 2015 without the provision to terminate the contract, triggered by the reform outcome.

2.2. Employment

- 2.2.1 The "Reform Partners" are mindful of the need for a secure long term workforce and understand the need to avoid any action which would in any way contribute to workplace insecurity by way of the appointment of any new employees that may ultimately be surplus to the need of a new entity;
- 2.2.2 That the "Reform Partners" agree to prior consultation in respect to appointment and re-appointments of senior officers (as defined in the *Local Government Act*) or contract staff (if proposing a term that will expire after 1 July 2015). The "Reform Partners" also agree to prior consultation in respect of the creation of any new permanent position.

2.3. Industrial Relations

- 2.3.1 The "Reform Partners" are mindful of existing differentials in conditions of employment and agree to act to minimise any further increase in variations between the "Reform Partners".

2.4. Strategic Urban Planning

- 2.4.1 Continue to be mindful of the impact on any of the "Reform Partners" when dealing with matters relating to strategic planning, such as, but not limited to, rezoning, structure planning and developer contribution arrangements.

2.5. Communities

- 2.5.1 Understand the need to avoid creating any expectations in the community relating to services, facilities and projects which are not provided by any or all of the other "Reform Partners" or may not be provided in its present form, or at all.

2.6. Immovable and Movable Property

- 2.6.1 Deal cautiously with acquiring or disposing of immovable and movable property , at all times being mindful whether the result would be of benefit to a reformed entity involving some or all of the other “Reform Partners”;
- 2.6.2 Be mindful, when entering into any lease or licensing agreement, on the impact it may have on a reformed entity involving some or all of the other “Reform Partners”.

2.7. Resource Sharing

- 2.7.1 The “Reform Partners” agree there are potential long term benefits for the region emanating from this reform process, through resource sharing arrangements. The “Reform Partners” are committed to exploring opportunities for efficiency gains through resource sharing arrangements and will work cooperatively throughout the reform period and beyond to realise those opportunities.

2.8. Governance

- 2.8.1 To ensure business activities carried out are delivered in a manner that adheres to the principles of good corporate governance.

2.9. Risk Management

- 2.9.1 The “Reform Partners” will ensure risk levels a proactively monitored and managed.

3. NO FETTERING DISCRETIONS

Nothing in this MOU is intended to fetter any statutory or other discretion to be exercised by the Council of any of the “Reform Partners”, or to require the Council to deal with all applications, proposals and scheme amendments otherwise than in accordance with due process of law, and in good faith.

4. REPRESENTATIVES

The “Reform Partners” each agree to nominate representatives to act as their representatives for the purpose of dealing with all matters pertaining to this MOU. These members should be the same members that have been nominated to the Local Implementation Committee.

The members are:

Cr Phil Marks	Mayor	City of Belmont
Cr Robert Rossi	Deputy Mayor	City of Belmont
Stuart Cole	Chief Executive Officer	City of Belmont
Cr Sue Bilich	Shire President	Shire of Kalamunda
Cr John Giardina	Deputy Shire President	Shire of Kalamunda
Rhonda Hardy	Chief Executive Officer	Shire of Kalamunda

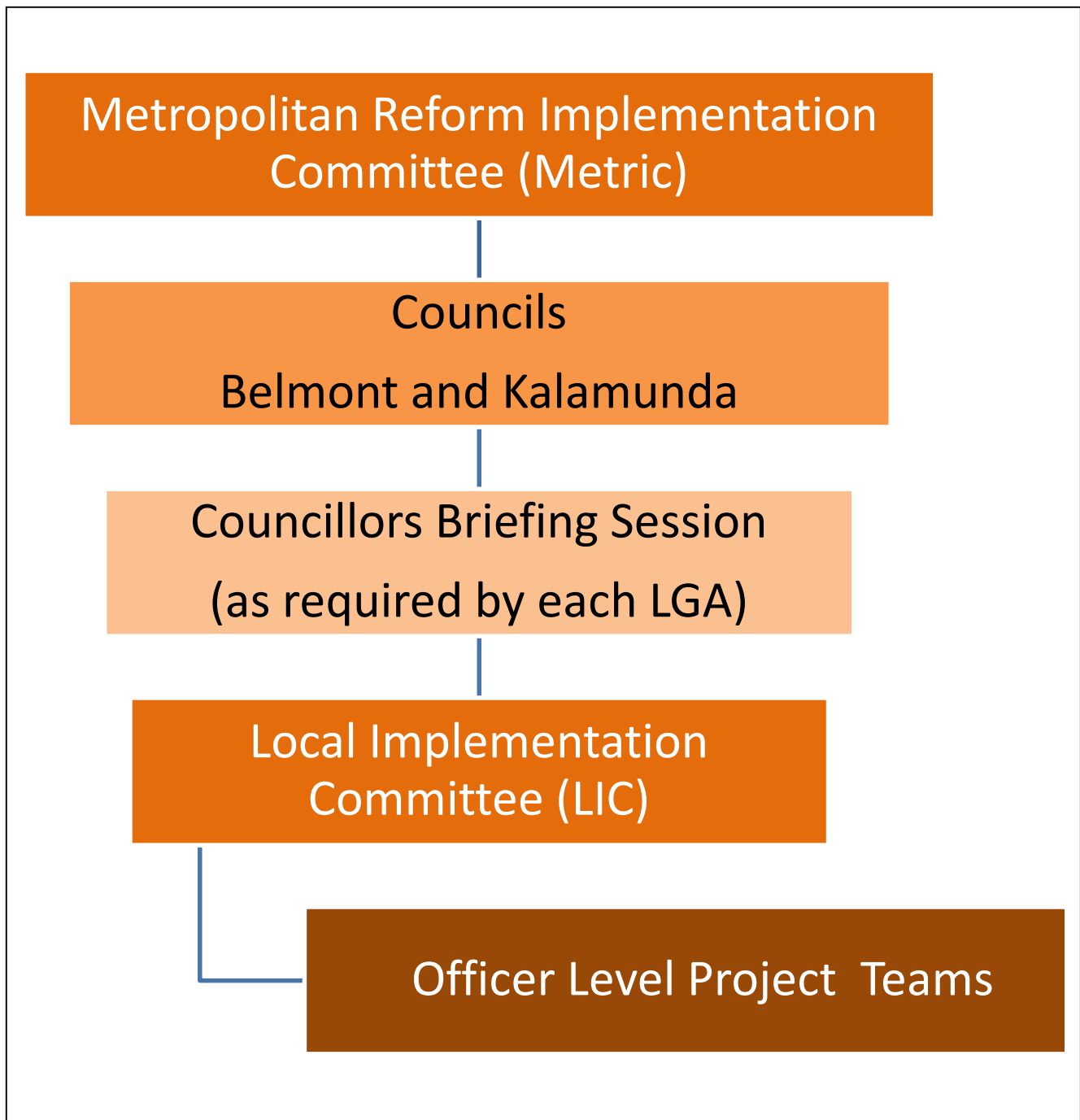
5. REFORM IMPLEMENTATION FRAMEWORK

The MOU will guide the work to be undertaken by the Local Implementation Committee (LIC) and will be operationally supported by officer comprised project teams based on the various functions across the two organisation.

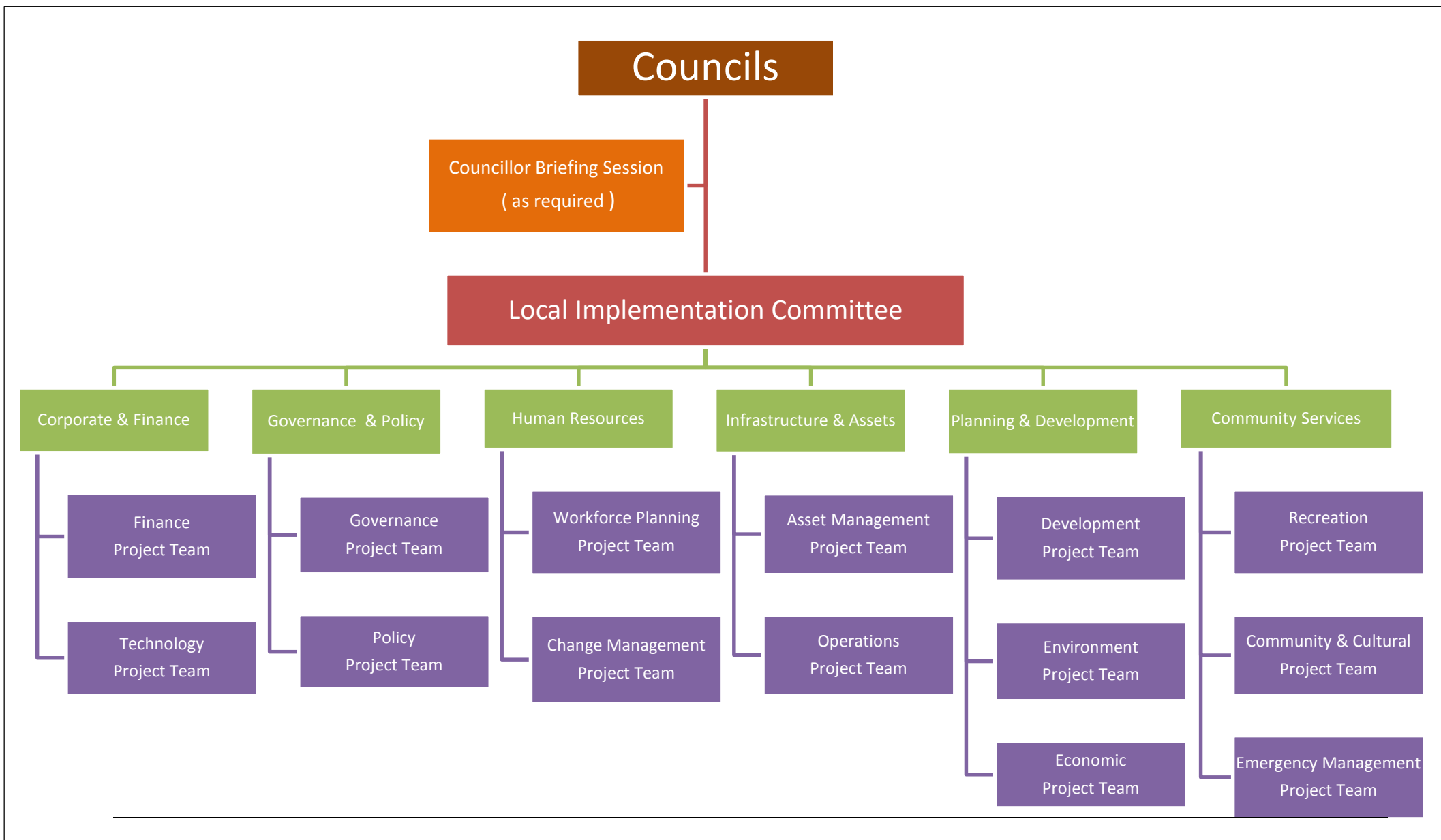
All Projects Team will comprise nominated officers from the City of Belmont and the Shire of Kalamunda who will undertake the required assessments and analysis, prepare plans and make recommendations to the LIC to consider.

All Project Teams will be guided by Project Plans that clearly articulate the objectives, roles and responsibilities of the project team.

The Overarching Reporting Structure shown diagrammatically would be as follows:-



The Detailed Operational Structure shown diagrammatically would be as follows:-



6. SUBJECT TO COUNCIL APPROVAL

This Memorandum of Understanding is subject to approval by each of the Councils of the "Reform Partners".

7. NOT BINDING

This Memorandum of Understanding is not intended to be legally binding on any of the "Reform Partners" nor is the Memorandum of Understanding intended to confer any benefit on any of the "Reform Partners"

EXECUTED AS FOLLOWS:

Phil Marks
Mayor

Signed.....

City of Belmont

Dated.....

Stuart Cole
Chief Executive Officer

Signed.....

City of Belmont

Dated.....

Sue Bilich
President

Signed.....

Shire of Kalamunda

Dated.....

Rhonda Hardy

Chief Executive Officer

Signed.....

Shire of Kalamunda

Dated.....

Attachment 2

CITY OF BELMONT & SHIRE OF KALAMUNDA **LOCAL IMPLEMENTATION COMMITTEE (LIC)** **TERMS OF REFERENCE**

ESTABLISHMENT

This Local Implementation Committee (LIC) is established to accord with the Minister for Local Government's request. The LIC has a key responsibility for leading the change process through stages 1, 2 and 3 of the transition plan contained in outlined in the Reform Toolkit. This responsibility may extend to stage 4 in circumstances where a Commissioner has not been appointed.

REFORM PRINCIPLES

During the transitional stages of amalgamation/boundary change, reform principles are developed to govern and under pin all transitional activities for the future local government's structures and systems. Principles can assist with achieving effective and realistic planning and operational outcomes when applied in an environment of change and high expectation:

Principle 1: Embrace opportunity and strive for best practice

Principle 2: Attract and retain quality staff and develop career opportunities

Principle 3: Engage community and work together

Principle 4: Increase local government capacity and improve community outcomes

Principle 5: Reduce local government bureaucracy and streamline systems

Principle 6: Deliver open and transparent communication

SCOPE

The LIC will consider, assess and make recommendations on key strategic issues to each member council regarding those matters relating to stages 1, 2 & 3 of the Local Government Reform Toolkit, relevant to a boundary/amalgamation pending a Ministerial decision and Governors Orders.

MEMBERSHIP

The LIC shall comprise:

Facilitator: TBA

City of Belmont: Mayor, Cr Phil Marks
Deputy Mayor, Cr Robert Rossi
Chief Executive Officer, Stuart Cole

Shire of Kalamunda:

Shire President, Cr Sue Bilich
Deputy Shire President, Cr John Giardina
Chief Executive Officer, Rhonda Hardy

The LIC as and when required may invite officers or consultants to attend a part of a meeting to pass on or receive information, or provide presentations on relevant matters.

DUE DILIGENCE

The LIC shall ensure due diligence is considered as an element of the process. Due diligence involves examining the operations of the local governments to determine potential risk exposure and to ensure that all critical issues are identified and considered as part of the process.

Due diligence is a component of risk management and should be applied to issues such as (but not limited to):

- the financial position of the affected local governments;
- the value and condition of assets;
- the capability and relevance of business systems;
- legal proceedings in progress and any potential legal actions;
- the impact of the amalgamation on contracts, leases, industrial agreements and awards;
- debtors and creditors;
- outstanding insurance claims; and
- any other contentious issues.

GOVERNANCE

I. Powers of the Local Implementation Committee

The LIC does not have executive powers or authority to implement actions in areas over which the CEO has legislative responsibility; and does not have any delegated authority or decision making powers. The LIC does not have any management functions and cannot involve itself in management processes or procedures, however has a strategic leadership overview to ensure the best interests of the communities are represented.

II. Chair

The role of the Chair will be undertaken by the Facilitator.

III. Meetings

The LIC shall hold formal meetings which are minuted in the form of Outcomes, with action items identified. The Chairperson will ensure that the meeting is conducted in a timely manner and within the scope. Members will also have the opportunity to raise matters under an agenda item for other business.

Meetings of the LIC are not open to the public and the proceedings will not be audio or video recorded.

Meetings will be held approximately monthly at alternate venues of City of Belmont and Shire of Kalamunda, to be determined, with additional meetings to be scheduled as needed.

The City of Belmont will facilitate Agendas which will be distributed to members at least one week prior to the meeting and the production of minutes.

IV. Reporting

The LIC will report to its member Councils and provide appropriate advice and recommendations on matters relevant to its term of reference. This is in order to facilitate informed decision-making by Council in relation to the legislative functions and duties of local government that have not been delegated to the CEO.

Reports and recommendations of each LIC meeting requiring a resolution of Council shall be presented to the next ordinary meeting of the Council or the first ordinary meeting of Council practicable.

The LIC will provide progress reports to the relevant authorities as appropriate.

V. Confidentiality

Members of the LIC shall not disclose confidential information or documents acquired through membership of the LIC, other than as required by law or where agreed by decision of the LIC; nor make any unauthorised public statements regarding the business of the LIC.

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

10.3.6 Chief Executive Officer's Performance Review

Previous Items	N/A
Responsible Officer	Chief Executive Officer
Service Area	Strategy and People Services
File Reference	HU-REM-012
Applicant	N/A
Owner	N/A

PURPOSE

1. To seek Council endorsement for the process to undertake the Annual Performance Appraisal of the Chief Executive Officer (CEO).

BACKGROUND

2. Section 5.38 of the *Local Government Act 1995* provides that all permanent employees including the CEO must have his or her performance reviewed annually.
3. Regulation 18D of the *Local Government (Administration) Regulations 1996*, requires that the Council consider the outcomes of each performance review of the CEO carried out under Section 5.38 and that Council's function is to accept the review, with or without modification, or to reject the review.
4. Clause four (4) of the CEO's Contract provides detail with respect to the Performance Review, including the Criteria, Selection of Reviewer and Procedure.
5. The CEO was appointed to the position with effect from the 9 July 2013. The performance review is required to be completed within a period of 12 months from that date and annually thereafter.

DETAILS

6. The annual review of performance is the point in the year where the CEO's performance against her priorities for the previous 12 months are measured and assessed and priorities for following 12 months are reviewed and adjusted as necessary.
7. The CEO'S priorities are, by definition, the Council's expectations of the Shire. The CEO's priorities are driven by the priorities in the Shire's Strategic Corporate plan. It is the CEO's priorities that are reflected in the construction of the annual budget.

8. Clause four (4) of the CEO's contract provides that the process to be utilised and the Reviewer are to be by agreement between the CEO and Council.

A similar process that has been adopted for reviews in previous years is proposed for this performance review:

- a) A Performance Review Sub Committee consisting of the Shire President, Deputy President and Chairs of the Development & Infrastructure Services Committee, Corporate & Community Services Committee and Audit & Risk Committee coordinate the documentation and collation of information.
- b) A set of criteria reflecting the CEO's roles, responsibilities and priorities be used as a tool to assist in the process of review.
- c) A scoring of strongly disagree to strongly agree plus comments to be made against each criterion
- d) The CEO to use the criteria to carry out a self-evaluation
- e) Each of the Directors and Managers, to evaluate the CEO using a 360 degree assessment template which will be emailed individually to each person.
- f) Councillors will be provided with the CEO's self-evaluation prior to completing their own assessments
- g) Feedback from the Directors and Managers to be provided to the Performance Review Sub Committee, prior to collation of information provided to all Councillors.
- h) On collation of the information by the Performance Review Sub Committee, all collated information will be provided to all Councillors
- i) All Councillors to then meet together, without the CEO, to discuss any issues or comments arising from the collated information.
- j) Shire President will then ask CEO to join the meeting with the Councillors to raise any comments/issues arising from the discussion and collated information.
- k) A final report will be collated, following a meeting between Councillors and CEO and presented to Council for consideration in accordance with Regulation 18 D of the *Local Government (Administration) Regulations 1996*. The report is to include the amalgamation of scores and pertinent comments.

-
9. As a part of the performance Review Process, Council is required to review the CEO's salary package. Clause seven (7) of the Employment Contract deals with review of the remuneration package.

STATUTORY AND LEGAL CONSIDERATIONS

10. Section 5.38 of the *Local Government Act 1995* and Regulation 18D of the *Local Government (Administration) Regulations 1996*.

Clause four (4) of the CEO's Contract.

POLICY CONSIDERATIONS

11. Nil.

COMMUNITY ENGAGEMENT REQUIREMENTS

12. External community engagement not required for this purpose.

FINANCIAL CONSIDERATIONS

13. Employee costs are linked in the Long Term Financial Plan.

STRATEGIC COMMUNITY PLAN

Strategic Planning Alignment

14. *Kalamunda Advancing: Strategic Community Plan to 2023*
OBJECTIVE 6.3, To lead, motivate and advance the Shire of Kalamunda.
OBJECTIVE 6.10, To build a high performing and motivated workforce.

SUSTAINABILITY

Social Implications

15. N/A

Economic Implications

16. N/A

Environmental Implications

17. N/A

RISK MANAGEMENT CONSIDERATIONS

18. Identify, assess and prioritise risk factors e.g. financial, legal liability, public health and safety based on the Risk Management Policy and Strategic Risk Framework Matrix. Complete in table format.

Risk	Likelihood	Consequence	Rating	Action/Strategy
The CEO does not agree with the proposed process	Low	Minor	Low	It is important to make sure the process is fair to all parties involved.
An annual review of the CEO's performance is not undertaken in accordance with legislative and contractual requirement	Low	Minor	Low	The performance review needs to be robust and in accordance with legislative and contractual requirements.

OFFICER COMMENT

19. A robust performance review that encourages a number of inputs from those who have regular contact with the CEO is considered to be best practice and is welcomed and encouraged by the CEO.
20. It is essential that the Council endorse and confirm the process for the CEO performance review
21. It is essential that the Council, not a committee, makes the final decision on the CEO's performance and remuneration review.
22. The CEO Performance review report will be presented to Council in July 2014.

Voting Requirements: Simple Majority

RESOLVED OCM 64/2014

That Council:

- Endorses the Chief Executive Officer Performance Review Sub Committee consisting of the Shire President, Deputy President and Chairs of the Development & Infrastructure Services Committee, Corporate & Community Services Committee and Audit & Risk Committee to co-ordinate and collate the documentation and information.

2. Requests that a final performance review report be collated and presented to Council for consideration in accordance with Regulation 18D of the *Local Government (Administration) Regulations 1996*, in July 2014.

Moved: **Cr Noreen Townsend**

Seconded: **Cr Simon Di Rosso**

Vote: **CARRIED UNANIMOUSLY (11/0)**

11.0 MOTIONS OF WHICH PREVIOUS NOTICE HAS BEEN GIVEN

11.1 Nil.

12.0 QUESTIONS BY MEMBERS WITHOUT NOTICE

12.1 Nil.

13.0 QUESTIONS BY MEMBERS OF WHICH DUE NOTICE HAS BEEN GIVEN

13.1 Front Page Article in the Echo Newspaper (Cr Frank Lindsey)

Q. I notice that the front page of the local newspaper *The Echo* indicates poor service delivery by Kalamunda Home and Community Care (HACC), and yet at the conclusion of the article it states that in the Shire of Kalamunda's latest Annual Survey 98% of people were noted as being happy with the service. Could the Chief Executive Officer please comment as to whether this dissatisfaction is only by those who cannot access the service?

A. Both people quoted on the front page of *The Echo* Saturday 22 March 2014 are current Shire of Kalamunda, Community Care clients. One client has been seen by a Support & Monitoring Officer and has confirmed that her comments were in reference to the Regional Assessment Service; a referral made for specialised support with a different provider. The client confirmed she is more than happy with the Shire staff and services.

The other client ceased receiving domestic support in 2012 after family co-resided with her; this client had expectations of HACC domestic support that were outside the boundaries of the funding guidelines, however the client still receives support with home maintenance and is satisfied with the service.

A subsequent client has been quoted in a letter to the Editor (*The Echo* 29 March 2014) who wants a service that is greater than the boundaries of HACC funded support and has since cancelled services and engaged a private cleaner as this better meets her requirements.

14.0 URGENT BUSINESS APPROVED BY THE PRESIDING MEMBER OR BY DECISION

14.1 Nil.

15.0 MEETING CLOSED TO THE PUBLIC

15.1 Nil.

16.0 CLOSURE

16.1 There being no further business, the Presiding Member declared the meeting closed at 7.25pm.

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