



# Ordinary Council Meeting

AGENDA

Tuesday 28 July 2020

## NOTICE OF MEETING ORDINARY COUNCIL MEETING

Dear Councillors

Notice is hereby given that the next Ordinary Meeting of Council will be held in the Council Chambers, Administration Centre, 2 Railway Road, Kalamunda on **Tuesday 28 July 2020 at 6.30pm.**



Rhonda Hardy  
Chief Executive Officer  
23 July 2020



**Our Vision**

**Connected Communities, Valuing Nature and Creating our Future Together**

**Core Values**

**Service** We deliver excellent service by actively engaging and listening to each other.

**Respect** We trust and respect each other by valuing our differences, communicating openly and showing integrity in all we do.

**Diversity** We challenge ourselves by keeping our minds open and looking for all possibilities and opportunities.

**Ethics** We provide honest, open, equitable and responsive leadership by demonstrating high standards of ethical behaviour.

**Aspirational Values**

**Creativity** We create and innovate to improve all we do.

**Courage** We make brave decisions and take calculated risks to lead us to a bold and bright future.

**Prosperity** We will ensure our District has a robust economy through a mixture of industrial, commercial, service and home based enterprises.

**Harmony** We will retain our natural assets in balance with our built environment.

**Our simple guiding principle will be to ensure everything we do will make Kalamunda socially, environmentally and economically sustainable**

[kalamunda.wa.gov.au](http://kalamunda.wa.gov.au)

City of  
**Kalamunda**

## Information for the Public Attending

Welcome to this evening's meeting. The following information is provided on the meeting and matters which may affect members of the public.

If you have any queries related to procedural matters, please contact a member of staff.

### Ordinary Council Meetings – Procedures

1. Council Meetings are open to the public, except for Confidential Items listed on the Agenda.
2. Members of the public who are unfamiliar with meeting proceedings are invited to seek advice prior to the meeting from a City Staff Member.
3. Members of the public are able to ask questions at an Ordinary Council Meeting during Public Question Time.
4. To facilitate the smooth running of the meeting, silence is to be observed in the public gallery at all times, except for Public Question Time.
5. All other arrangements are in general accordance with Council's Standing Orders, the Policies and decision of the City or Council.
6. This meeting will be live streamed and can be viewed <https://www.youtube.com/watch?v=zZ3bkrtolZU>

### Acknowledgement of Traditional Owners

We wish to acknowledge the traditional custodians of the land we are meeting on, the Whadjuk Noongar people. We wish to acknowledge their Elders' past, present and future and respect their continuing culture and the contribution they make to the life of this City and this Region.

#### Emergency Procedures

Please view the position of the Exits, Fire Extinguishers and Outdoor Assembly Area as displayed on the wall of Council Chambers.

In case of an emergency follow the instructions given by City Personnel.

We ask that you do not move your vehicle as this could potentially block access for emergency services vehicles.

Please remain at the assembly point until advised it is safe to leave.

## INDEX

1. Official Opening .....	6
2. Attendance, Apologies and Leave of Absence Previously Approved .....	6
3. Public Question Time.....	6
4. Petitions/Deputations .....	6
5. Applications for Leave of Absence.....	6
6. Confirmation of Minutes from Previous Meeting.....	6
7. Announcements by the Member Presiding Without Discussion.....	7
8. Matters for Which the Meeting may be Closed .....	7
9. Disclosure of Interest .....	8
10. Reports to Council .....	9
<b>10.1. Development Services Reports</b> .....	<b>9</b>
10.1.1. Proposed Amendment to Existing Local Structure Plan (Mixed Use to a split Mixed Use/Commercial designation) .....	9
10.1.2. Forrestfield / High Wycombe Stage 1 Industrial Area - Development Contribution Plan Report: Annual Review - Consideration of Submissions and Final Approval.....	23
<b>10.2. Asset Services Reports</b> .....	<b>45</b>
10.2.1. Kalamunda Road Functional Review - Abernethy Road to Roe Highway Adoption .	45
10.2.2. Consideration of Tenders for the Supply and Laying of Asphalt Road Surfacing (RFT 2010).....	46
<b>10.3. Corporate Services Reports</b> .....	<b>51</b>
<b>10.4. Office of the CEO Reports</b> .....	<b>51</b>
10.4.1. Community Sporting and Recreation Facility Funding Program - Small Grants Applications August 2020 .....	51
<b>10.5. Audit &amp; Risk Committee Recommendation</b> .....	<b>59</b>
9.1.1. Interim Audit Findings for the year ending 30 June 2020 .....	59
9.1.2. Internal Audit Report July 2020.....	59
<b>10.6. Chief Executive Officer Reports</b> .....	<b>61</b>
10.6.1. Draft Monthly Financial Statements to June 2020 .....	61
10.6.2. Debtors and Creditors Report for the period ended June 2020 .....	70
10.6.3. Rates Debtors Report for the period ended June 2020.....	78
10.6.4. Corporate Business Plan - Quarterly Update - April to June 2020 .....	83
10.6.5. Application for Leave – Chief Executive Officer.....	86
10.6.6. State and Australian Government Black Spot Program Submissions 2021-2022 .....	89
10.6.7. Chief Executive Officer's Performance Review 2019-2020 and Chief Executive Officer Performance Criteria 2020-2021 .....	98
11. Motions of Which Previous Notice has been Given .....	102
11.1. Cat Local Law.....	102
11.2. Method of Election of Mayor .....	103

- 12. Questions by Members Without Notice..... 105
- 13. Questions by Members of Which Due Notice has been Given..... 105
- 14. Urgent Business Approved by the Presiding Member or by Decision ..... 105
- 15. Meeting Closed to the Public ..... 105
- 16. Tabled Documents..... 105
- 17. Closure ..... 105

**1. Official Opening**

**2. Attendance, Apologies and Leave of Absence Previously Approved**

**3. Public Question Time**

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

**4. Petitions/Deputations**

- 4.1 A Petition is presented from the Probus Club of Kalamunda. The Petition is provided as Attachment 16.1.1.

“To the Mayor and Councillors of the City of Kalamunda, We respectfully request that you receive this Petition contained in the attached documents.

We, the undersigned, all being electors of the City of Kalamunda do respectfully request that the Council – (if and as necessary in conjunction with WA State Government) alter the current priority given to vehicular traffic on all roads immediately surrounding Kalamunda Town Centre (Haynes Street, Railway Road, mead Street and Canning Road) to give safe and convenient priority access to the Town Centre for all pedestrians and persons with mobility limitations.

The reasons for this request include the predominant users being local residents many being persons of advance age, young people of school age; and visitors. All of whom are entitled to expect safe walkable entry, if this Town Centre is to remain commercially viable.

From the President of the Probus Club of Kalamunda.”

**5. Applications for Leave of Absence**

**6. Confirmation of Minutes from Previous Meeting**

- 6.1 That the Minutes of the Ordinary Council Meeting held on 23 June 2020, as published and circulated, are confirmed as a true and accurate record of the proceedings.

Moved:

Seconded:

Vote:

**Statement by Presiding Member**

*"On the basis of the above Motion, I now sign the Minutes as a true and accurate record of the meeting of 23 June 2020."*

- 6.2 That the Minutes of the Special Council Meeting held on 30 June 2020, as published and circulated, are confirmed as a true and accurate subject to the following amendment:

***Part 8 General and Minimum Rates, Instalment Payment Arrangements and Incentives for Early Payments 2030/2021***

Add the following additional point

AUTHORISE amendment to Attachment 1 to incorporate Changes as a consequence of the deletion of previous points d) and e)

Moved:

Seconded:

Vote:

**Statement by Presiding Member**

*"On the basis of the above Motion, I now sign the Minutes as a true and accurate record of the meeting of 30 June 2020."*

7. **Announcements by the Member Presiding Without Discussion**

8. **Matters for Which the Meeting may be Closed**

- 8.1 Item 10.1.2 Forrestfield / High Wycombe Stage 1 Industrial Area - Development Contribution Plan Report: Annual Review - Consideration of Submissions and Final Approval – Confidential Attachments 1. Confidential Submitters List; 2. Senior Counsel – Legal Advice; 3. Mcleods – Legal Advice

Reason for Confidentiality: *Local Government Act 1995 (WA) Section 5.23 (2) (b) - "the personal affairs of any person."*

Reason for Confidentiality: *Local Government Act 1995 (WA) Section 5.23 (2) (d) - "legal advice obtained, or which may be entered into, by the local government which relates to a matter to be discussed."*

- 8.2 Item 10.2.2 Consideration of Tenders for the Supply and Laying of Asphalt Road Surfacing (RFT 2010) – Confidential Attachments 1. Tender Evaluation Report; 2. Price Schedules

Reason for Confidentiality: *Local Government Act 1995 (WA) Section 5.23 (2) (c) - "a contract entered into, or which may be entered into, by the local government and which relates to a matter to be discussed at the meeting."*

- 8.3 Item 10.6.7 Chief Executive Officer's Performance Review 2019-2020 and Chief Executive Officer Performance Criteria 2020-2021- Confidential Attachments 1. CEO Performance Review Committee – Minutes – 7 July 2020' 2. CEO Performance Review Process, Criteria 2019-20 and Councillor Feedback Form; 3. Key Performance Criteria – Chief Executive Officer – 2020-21

Reason for Confidentiality: *Local Government Act 1995 (WA) Section 5.23 (2) (a) - "a matter affecting an employee or employees."*

Reason for Confidentiality: *Local Government Act 1995 (WA) Section 5.23 (2) (b) - "the personal affairs of any person."*

## 9. Disclosure of Interest

### 9.1. Disclosure of Financial and Proximity Interests

- a) Members must disclose the nature of their interest in matters to be discussed at the meeting. (Section 5.56 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. (Section 5.70 of the *Local Government Act 1995*.)

### 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.



**10. Reports to Council**

**10.1. Development Services Reports**

**10.1.1. Proposed Amendment to Existing Local Structure Plan (Mixed Use to a split Mixed Use/Commercial designation)**

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

Previous Items	NA
Directorate	Development Services
Business Unit	Approval Services
File Reference	PG-DEV/049
Applicant	Dynamic Planning and Developments
Owner	SU ATF SU Family Trust, Kim Miew (310 and 318 Hale Road) & The Late Estate of Libero Guiseppa Quaesimin (326 Hale Road)

Attachments	<ol style="list-style-type: none"><li>1. Wattle Grove Outline Development Plan Amendment Document [10.1.1.1 - 60 pages]</li><li>2. Summary of Submissions Structure Plan Modification Hale Road [10.1.1.2 - 16 pages]</li></ol>
-------------	---

**TYPE OF REPORT**

- |                                     |             |  |
|-------------------------------------|-------------|--|
| <input type="checkbox"/>            | Advocacy    | When Council is advocating on behalf of the community to another level of government/body/agency   |
| <input type="checkbox"/>            | Executive   | When Council is undertaking its substantive role of direction setting and oversight (e.g. accepting tenders, adopting plans and budgets)   |
| <input type="checkbox"/>            | Information | For Council to note  |
| <input checked="" type="checkbox"/> | Legislative | Includes adopting Local Laws, Town Planning Schemes and Policies. When Council determines a matter that directly impacts a person's rights and interests where the principles of natural justice apply. Examples include town planning applications, building licences, other permits or licences issued under other Legislation or matters that could be subject to appeal to the State Administrative Tribunal |

## STRATEGIC PLANNING ALIGNMENT

### *Kalamunda Advancing Strategic Community Plan to 2027*

#### **Priority 3: Kalamunda Develops**

**Objective 3.1** - To plan for sustainable population growth.

**Strategy 3.1.1** - Plan for diverse and sustainable housing, community facilities and industrial development to meet changing social and economic needs.

#### **Priority 3: Kalamunda Develops**

**Objective 3.3** - To develop and enhance the City's economy.

**Strategy 3.3.1** - Facilitate and support the success and growth of industry and businesses.

#### **Priority 3: Kalamunda Develops**

**Objective 3.4** - To be recognised as a preferred tourism destination.

**Strategy 3.4.1** - Facilitate, support and promote, activities and places to visit.

## EXECUTIVE SUMMARY

1. The purpose of this report is to consider an amendment to the Wattle Grove Urban Cell – U9 Adopted ODP (Structure Plan), as shown in Attachment 1.
2. The applicant proposes to amend the Structure Plan to change the land use designation of a portion of Lots 192, 193 and 194 (No.326, 318 and 310) Hale Road, Wattle Grove from 'Mixed Use' to 'Commercial'. The general result of the amendment would be that the lots change from 100% 'Mixed Use' to approximately 50% 'Mixed Use', 50% 'Commercial'.
3. During the consultation period nine submissions were received. Three submissions raised no objection to the proposal and six objected to the proposal. The City sent letters to 105 nearby owners and occupiers within a 100-metre radius of the site, including nearby existing commercial sites.
4. It is recommended Council forward the Wattle Grove Urban Cell – U9 Adopted ODP to the Western Australian Planning Commission (WAPC) with a recommendation for approval without modifications.

**BACKGROUND**

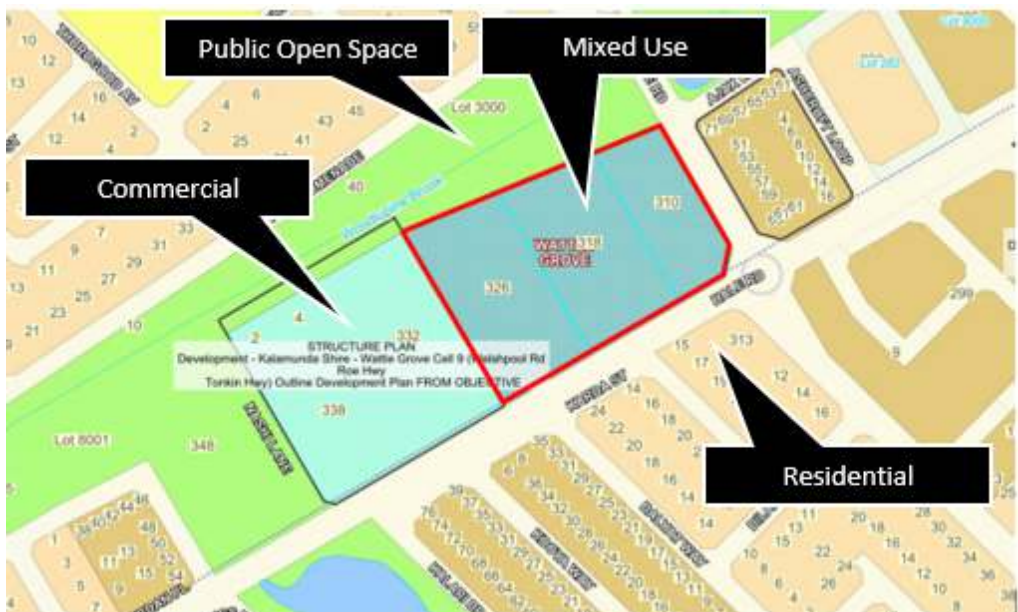
5. **Land Details:**

Land Area:	Lot 192: 9293m2 Lot 193: 8607m2 Lot 194: 5678m2
Local Planning Scheme Zone	Urban Development
Structure Plan Designation:	Mixed Use
Metropolitan Regional Scheme Zone:	Urban

6. **Locality Plan:**



7. **Existing Structure Plan Designations:**



## DETAILS AND ANALYSIS

8. The subject lots are currently identified as 'Mixed Use' under the adopted U9 structure plan.
9. The subject sites adjoin two large developed 'Commercial' designated sites to the west (including Aldi), and abut a large continuous Public Open Space reserve to the north-west (Woodlupine Brook).
10. The area on the southern side of Hale Road is a recently established low-density residential area, with medium density residential to the east, and an approved low to medium density residential subdivision and under construction to the south-east.
11. The Structure Plan amendment does not propose any modifications to the nearby movement network or to public open space areas.
12. To support the proposal the applicant has provided the following technical studies:
  - a) Planning Report
  - b) Retail Needs Assessment
13. The City of Kalamunda (City) acknowledges that the sites remain undeveloped, whereas the commercial and residential sites surrounding them are being developed as it was anticipated through the original adopted in 2001, and later amended 2016 Wattle Grove Urban Cell – U9 Adopted ODP.
14. Given the sites remain undeveloped for such a long period of time, the City understands the landowners request to seek additional land use permissibility and considers it appropriate to explore the potential of amending the land use designation of the sites through the Structure Plan amendment process.
15. The purpose of any land use designation amendment should be measured against the context of the site, and whether an amendment is consistent with the broad objectives of the original structure planning process.
16. The subject portion of Hale Road represents a consolidated area of non-residential activity. This portion provides for a range of land uses to be developed with an objective of servicing the needs of the growing local community, and visitors to the area.

17. The conversion of a portion of the 'Mixed Use' designation to 'Commercial' is consistent with the pattern of development, facilitating the provision of non-residential services for the local community, and its visitors. For example, a proposal to modify the land use designation from 'Mixed Use' to 'Light Industry' or 'Residential – R60' would be a significant departure from the planned pattern of development. As a result, the City considers the degree of the modification to be appropriate.
18. The proposed 'Commercial' designation has a direct interface with Hale Road, which is a logical extension of the 'Commercial' designation to the west of the subject sites. This has the potential to establish a consistent character for the non-residential frontage to Hale Road. For example, an inappropriate interface for a 'Commercial' designation would be directly abutting low to medium density residential land.
19. The City notes that the proposed 'Commercial' designation would have residential properties facing it from Wimbridge Road. The City considers the road reserve to be a sufficient separation of the two land uses.
20. To avoid duplication, the matters of increased retail floor space and traffic are discussed in the Consultation section of the report, as they are matters which have been raised through submissions.

## **APPLICABLE LAW**

### **Metropolitan Region Scheme**

21. Under the provisions of the Metropolitan Region Scheme (MRS) the subject site is zoned Urban. The proposed amendment to the structure plan is consistent with the provisions of the MRS.

### **Planning and Development (Local Planning Schemes) Regulations 2015**

22. Schedule 2 Clause 29 (1) of the *Planning and Development (Local Planning Schemes) Regulations 2015* (Regulations) states that:

*"A structure plan may be amended by the Commission at the request of the local government or a person who owns the land in the area covered by the plan."*

23. Consistent with Clause 29 (1) of the Regulations, the Wattle Grove Urban Cell – U9 Adopted ODP Structure Plan Amendment has been submitted by Dynamic Planning and Development who are the planning consultants acting on behalf of Su Family Trust who are owners of two of the three lots subject to the proposed amendment. It should be noted that not all

landowners are required to be actively part of the Structure Plan amendment process.

24. Under clause 22 (1) of the Regulations, on receipt of a report for a structure plan amendment, the WAPC may:
- a) Approve the Structure Plan; or
  - b) Require the City or the applicant to –
    - i. Modify the Structure Plan in the manner specified by the WAPC; and
    - ii. Resubmit the modified Structure Plan for the WAPC for approval; or
  - c) Refuse to approve the Structure Plan.
25. Pursuant to clause 29 (2) of the Regulations, a Structure Plan amendment must follow the same process for making a fresh structure plan, and the City is required to undertake the following actions:
- a) Determine the level of information required to be provided with the Structure Plan;
  - b) Assess the Structure Plan against appropriate planning principles;
  - c) Advertise the Structure Plan;
  - d) Consider and respond to submissions received during advertising; and
  - e) Prepare a report and recommendation on the proposed Structure Plan amendment and forward the City's recommendation to the WAPC for decision.
26. With regard to clause 29(2)(a), in pre-lodgement discussions the City identified the main technical consideration outside typical planning matters, was information demonstrating the impact of the proposed land use designation change on both the local commercial activities, as well as the wider commercial impact beyond Wattle Grove.
27. The applicant has provided a Retail Needs Analysis which concludes that the proposed development provides an opportunity to reduce a retail gap in the area which is projected to increase by 2026.
28. Over time, the projected retail gap will grow to 6,200m<sup>2</sup> by 2026 in the catchment area of the development sites, and 40,000m<sup>2</sup> growing to 60,000m<sup>2</sup> in 2026 in the broader study area.
29. The Retail Needs Assessment as it has been prepared by Pracsys which is an economics and management consulting firm which specialises in land use studies. The City accepts the modelling and recommendations provided by the technical experts.

30. The risk with land use designation changes such as the one proposed, are that they may divert retail opportunity in a strategic location, which can undermine broad economic and development strategies. This can mean that neither centre reaches its envisaged capacity.
31. As noted above, the Retail Needs Assessment identifies that there is a shortfall of retail floorspace, which means that the proposed amendment equating to 12,000m<sup>2</sup> of 'Commercial' area, is unlikely to undermine the viability of other nearby retail centres.
32. It is unclear in the current planning framework whether it is appropriate to seek an amended retail assessment, based on the recent economic impact due to Covid-19. As it is unclear whether needs modelling would be impacted by recent global events, Officers recommend proceeding on the basis that the current Retail Needs Assessment is acceptable.
33. With regard to clause 29(2)(b), the amended structure plan has been considered against relevant planning principles. These are discussed later in reference to Local Planning Scheme provisions and State Planning Policies.
34. With regard to clause 29(2)(c), the amended structure plan has been advertised in accordance with Local Planning Policy 11 (LPP11). Detailed discussion is in the Stakeholder Engagement section of this report.

### **Local Planning Scheme No.3**

35. The site subject to the proposed amendment is currently zoned Urban Development under the provisions of Local Planning Scheme No.3 (the Scheme). Clause 4.2.1 of the Scheme outlines the objectives of the Urban Development zone as follows:
- a) To provide orderly and proper planning through the preparation and adoption of Structure Plan setting the overall design for the area.
  - b) To permit the development of land for residential purposes and for commercial and other uses normally associated with residential development.
36. In accordance with the objectives of the Urban Development zone, the preparation of a Structure Plan is required to facilitate future development and subdivision. The proposed amendment to the existing structure plan can be considered an update of the existing structure plan to provide additional land use flexibility for a consolidation of an undeveloped portion of the structure plan area. The proposed structure plan amendment ensures that the existing structure plan is consistent with the Scheme objectives for land zoned Urban Development.

## APPLICABLE POLICY

### **Perth and Peel @ 3.5million – North-East Sub-Regional Planning Framework**

37. The North-East Sub-Regional Planning Framework (Sub-Regional Framework) is the strategic planning document that encompasses the area of Forrestfield and sets out proposals to meet future housing, employment and infrastructure needs while protecting environmental and landscape values.
38. The Sub-Regional Framework suggests the development of land zoned Urban and Urban Deferred should occur to accommodate increased urban infill development and higher densities in undeveloped areas already zoned for urban use. The subject site is identified as 'Urban' under the framework and is therefore identified as suitable location for accommodating increased urban development. The Sub-Regional Framework expects that growing populations will be serviced with local employment opportunities, and commercial services in local contexts.

### **Liveable Neighbourhoods 2009**

39. Liveable Neighbourhoods is an operational WAPC policy that guides structure planning and subdivision of large sites. The proposed amendment has been prepared in accordance with the current (January 2009) version of Liveable Neighbourhoods. An updated version of Liveable Neighbourhoods was released by the Department of Planning for the purposes of public review in October 2015.
40. Liveable Neighbourhoods is a performance-based document made up of 8 elements and sub-objectives under each element. These elements include:
- a) Element 1 – Community Design
  - b) Element 2 – Movement Network
  - c) Element 3 – Lot Layout
  - d) Element 4 – Public Parkland
  - e) Element 5 – Urban Water Management
  - f) Element 6 – Utilities
  - g) Element 7 – Activity Centres and Employment
  - h) Element 8 – Schools.



41. The Structure Plan Amendment is broadly consistent with the principals, objectives and requirements of each of the relevant Liveable Neighbourhoods design elements. The main reason for this, is that the proposed amendment does not have implications for the majority of elements, as they are already established and locked in.
42. **Element 1 – Community Design**
- Objective O2 (O2) of Element 1 states that structure plans should *‘provide safe, convenient and attractive neighbourhoods and towns that meet the diverse and changing needs of the community and offer a wide choice of housing, leisure, local employment opportunity and associated community and commercial facilities.’*
43. Consistent with objective O2, the proposed amendment would allow additional flexibility in potential land uses to be developed on the site. A greater range of potential land uses provides flexibility for the development outcomes of the sites to meet the needs of the community, at the time the sites are developed.
44. **Element 2 – Movement Network**
- The emphasis of Liveable Neighbourhoods is on connectivity, amenity, and integration to achieve safe, efficient and attractive street networks.
45. The proposed amendment does not include any changes to the existing road network. The three subject sites are well serviced with wide frontages to Hale Road. There is potential for coordination between the three sites in terms of a shared vehicle access, and reciprocal rights of access between the lots. This is like the arrangements put in place for the commercial sites to the south.
46. **Element 7 – Activity Centres and Employment**
- The emphasis of Liveable Neighbourhoods is for Structure Plans to provide indicative layouts and massing for centres and other employment generating areas.
47. The proposed amendment continues the non-residential theme of land uses on Hale Road which also provide retail and commercial services and employment opportunities.
48. While the change to a ‘Commercial’ designation increases the likelihood of retail-based business which are generally more intensely utilised land uses with greater potential amenity impacts, with that land use intensity comes increased employment opportunities.

49. **City of Kalamunda Local Planning Strategy 2010**  
The City's Local Planning Strategy sets out key strategies and actions for the strategic planning direction of the City.
50. The Economic principle of the strategy is to actively assist in the creation of regional wealth, supporting the development of new industries and encouraging economic activity in accordance with sustainable development principles.
51. The proposed amended structure plan is consistent with the principle of encouraging economic activity, as the change in land use designation provides additional commercial land use permissibility. While the land use designation does not guarantee development outcomes, the applicant has indicated that the current land use designation of 'Mixed Use' does not provide the flexibility to facilitate a large development of multiple uses which the landowner anticipates.
52. **City of Kalamunda Draft Activity Centres Strategy 2020**  
The City's draft Activity Centres Strategy (draft Strategy) has recently concluded community consultation.
53. The draft Strategy includes Lots 88 and 191 Hale Road (the existing developed commercial sites next to the subject sites) as the Wattle Grove North Neighbourhood Activity Centre.
54. The draft Strategy notes the opportunity to expand existing commercial uses at the site. Retail modelling in the draft strategy reflects the fully developed state of the existing commercial sites and does not predict any future retail demand. The Retail Gravity Model of the Strategy provides a suitable guide for the future expansion and growth of the City's activity centres, and to guide the strategic directions and actions of the City's planning related decisions. The Strategy states that any proposed expansions or new activity centres should be required to undertake a retail sustainability assessment which provides a detailed assessment of the centre to enable the City to make accurate informed decisions.
- The City considers that the Retail Needs Assessment provided by the applicant provides sufficient guidance for the City in making its recommendation.
55. Based on the draft Strategy identifying the potential expansion of commercial activity from the Wattle Grove North Neighbourhood Activity Centre to include the subject sites, the City does not consider the proposed amendment to be out of centre development, instead it amounts to a logical extension of the existing commercial sites.

## STAKEHOLDER ENGAGEMENT

56. Community Consultation

Consistent with Table One of Local Planning Policy 11– Public Notification of Planning Proposals and Schedule 2 Clause 18 of the LPS Regulations, the proposed amendment was advertised for a period of 14 days concluding on 21 May 2020. An extension was granted for an additional week for submitters 8 and 9 to allow them to complete their submissions.

57. The advertising period involved letters sent to property owners within 100m of the site and a notice of the proposed amendment was published on the City's Website. Due to Covid-19 restrictions being in effect during the advertising process a sign on site and community drop in session were not undertaken.

58. During the consultation period the City received nine submissions, of which six raised concerns or objected to the proposal and three were supportive of the proposal. Key concerns include:

- a) Impact on existing retail providers;
- b) Insufficient consideration of traffic impacts;
- c) Points of vehicle access; and
- d) Lack of integration with existing development on Hale Road.

### **Impact on existing retail providers**

59. The City acknowledges that the proposed amendment facilitates a wider range of land uses being capable of future approval on the subject sites. With a wider range of land uses being able to be considered brings with it an increased likelihood for potential duplication of uses, including specifically retail uses. However, as no development application has been submitted to the City, any suggestion of conflict is hypothetical at the structure plan phase. The City's Local Planning Scheme does not legislate against competing commercial activities, rather market forces will control the demand for different land uses at the time of future development, meaning that the commercial viability is a matter left to the landowners of the site as they develop in the future.

60. The City notes that the Retail Needs Assessment indicates there will be demand for additional retail floorspace in the area.

61. The City's focus is to ensure that the proposed structure plan amendment is consistent with the planning framework that applies to structure plans. Having due regard to applicable government and state planning policies, on balance the City is satisfied through the retail needs assessment, that the proposed structure plan amendment is unlikely to impact on existing

retail providers, as the demand for retail is projected to increase in line with population growth.

62. As the balance of the site is proposed to remain as 'Mixed Use', there is potential for future development not only to supply retail floorspace, it may also create the demand for it through potential residential based land uses.

**Insufficient Consideration of Traffic Impacts**

63. The City acknowledges that traffic is an element of the structure planning process for which the applicant has not provided detailed information. However, having due regard for the relevant planning framework, the City does not consider that the proposed amendment warrants detailed traffic information being provided.

64. While detailed traffic information would be a vital part of the structure plan assessment for a proposal to change a rural area to industrial, or to change a low density residential R5 area to high density R80, the City does not consider the proposed amendment likely to have the same traffic impacts.

65. The subject sites are already designated for non-residential uses and many of the land uses which can be considered under the 'Commercial' designation, are already able to be considered under the 'Mixed Use' designation.

66. Given the types of land uses and general development style of those uses (combined buildings with car parking areas), the City considers it appropriate to consider the implications or restrictions of traffic at the development application stage.

67. The possible development outcomes vary significantly, however there are requirements for the impacts of traffic to be assessed at the development application stage, when the true form of the development on the sites is clear. It is at that stage, like many commercial proposals in the City, the applicant will have to demonstrate in sufficient detail which reflects the scale of the development, that the traffic impacts, and access/egress arrangements provide for an orderly planning outcome. If the applicant is not able to demonstrate acceptable traffic impacts, the application is not likely to be supported.

68. **Points of Vehicle Access**

The specific points of access are typically determined at the development application stage, when the opportunities and constraints of the landowners intended development outcome are known. As one landowner owns the two sites closest to the corner there is flexibility for access points

to be taken either from Hale Road or Wimbridge Road, however this is a matter appropriately dealt with at the development application stage.

69. The City notes that depending on the timeframe for development it is possible that improvements to Hale Road may result in future median islands or other road treatments restricting access to the site.

**Lack of Integration with Existing Development on Hale Road**

70. The proposed amendment presents as a logical extension of the existing pattern of development along Hale Road. The City considers the proposed amendment to make planning for the stretch of Hale Road more consistent than the current structure plan.

71. The City is satisfied that the proposed amendment would have the potential to integrate with the established built form on Hale Road through the development application process. Given that the proposed amendment applies consistently across three undeveloped sites, it is likely that coordination could occur through the development application process on car parking, access, built form, and landscaping.

72. To ensure that the sites are designed to facilitate reciprocal vehicle and pedestrian access the Council could advise the WAPC that a notation on the amended structure plan would be appropriate.

**FINANCIAL CONSIDERATIONS**

73. Nil.

**SUSTAINABILITY**

**Social Implications**

74. Nil.

**Economic Implications**

75. The applicant anticipates that the modification to the land use designation will facilitate a future development application for a combined commercial and mixed-use development. Commercial investment in the sites will have a positive benefit on services available to the local community and local employment opportunities.

**Environmental Implications**

76. Nil. The subject sites have been cleared in the past to facilitate the historical plant nursery and residential land uses.

**RISK MANAGEMENT**

77.	<b>Risk:</b> Council recommends that the Western Australian Planning Commission (WAPC) refuse the proposed structure plan amendment.		
	<b>Consequence</b>	<b>Likelihood</b>	<b>Rating</b>
	Moderate	Possible	Medium
	<b>Action/Strategy</b>		
	Regardless of Council's recommendation, the final determination of the appropriateness of the amendment will be determined by the WAPC.		
	There is a risk that a recommendation of refusal could be overturned, with Council missing the opportunity to recommend modifications to the amendment.		
	Council should consider whether the amendment is capable of support, subject to amendments.		

**CONCLUSION**

- 78.           The City is satisfied, that, on balance, the proposed amendment to the existing Wattle Grove Urban Cell – U9 Adopted ODP (Structure Plan) represents an orderly extension of the nearby existing 'Commercial' designation.
- 79.           It aligns with the City's strategic aspirations to facilitate appropriate development which will both provide services to the local community, as well as provide employment opportunities.

**Voting Requirements: Simple Majority**

**RECOMMENDATION**

That Council:

- 1.           RECOMMEND the amended Outline Development Plan be approved by the Western Australian Planning Commission.
- 2.           FORWARD the amended Outline Development Plan to the Western Australian Planning Commission for endorsement.

## 10.1.2. Forrestfield / High Wycombe Stage 1 Industrial Area - Development Contribution Plan Report: Annual Review - Consideration of Submissions and Final Approval

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

Previous Items	SCM 230/2018, OCM 27/2020
Directorate	Development Services
Business Unit	Strategic Planning
File Reference	PG-STU-028
Applicant	City of Kalamunda
Owner	Various
Attachments	<ol style="list-style-type: none"><li>1. Development Contribution Plan Report 2020 [10.1.2.1 - 134 pages]</li><li>2. Consulting Engineers Summary Report - Infrastructure Cost Estimates [10.1.2.2 - 193 pages]</li><li>3. Submission Table [10.1.2.3 - 46 pages]</li><li>4. Additional Information Sincen Publishing the Draft Agenda at the 14 July 2020 Public Agenda Briefing Forum [10.1.2.4 - 3 pages]</li></ol>

### TYPE OF REPORT

- Advocacy When Council is advocating on behalf of the community to another level of government/body/agency
- Executive When Council is undertaking its substantive role of direction setting and oversight (eg accepting tenders, adopting plans and budgets)
- Information For Council to note
- Legislative Includes adopting Local Laws, Town Planning Schemes and Policies. When Council determines a matter that directly impacts a person's rights and interests where the principles of natural justice apply. Examples include town planning applications, building licences, other permits or licences issued under other Legislation or matters that could be subject to appeal to the State Administrative Tribunal

### STRATEGIC PLANNING ALIGNMENT

*Kalamunda Advancing Strategic Community Plan to 2027*

#### **Priority 3: Kalamunda Develops**

**Objective 3.1** - To plan for sustainable population growth.

**Strategy 3.1.1** - Plan for diverse and sustainable housing, community facilities and industrial development to meet changing social and economic needs.

## EXECUTIVE SUMMARY

1. The purpose of this report is for the Council to consider submissions received during advertising and final adoption of the Forrestfield / High Wycombe Industrial Area Stage 1 (FF/HW Stage 1) – Development Contribution Plan Report (DCP Report) annual review (Attachment 1).
2. At its Ordinary Meeting held 25 February 2020, the Council resolved to adopt the DCP Report and an interim Cost Contribution rate of \$23/m<sup>2</sup> for the purposes of public advertising. The interim rate was also adopted to be used immediately as the applicable rate for new developments being approved within the DCP area.
3. The DCP Report was advertised to landowners within the FF/HW Stage 1 area during March and April 2020. At the conclusion of the public advertising period, a total of eight submissions were received, comprising six objections and two comments. Further discussion regarding the nature of objections and comments is provided in the Details and Analysis section of this report.
4. A memorandum has been included at Attachment 4 of the report and outlines additional information, details and analysis that has been received since the Public Agenda Briefing Forum (PABF) on 14 July 2020. This additional information has resulted in some amendments to the DCP Report and attachments between the PABF and the Ordinary Council Meeting. Accordingly, the recommended Cost Contribution Rate reflects these amendments.
5. It is recommended that the Council adopt the DCP Report and the Cost Contribution rate of \$22.30/m<sup>2</sup>.



## BACKGROUND

6. **Locality Plan:**



7. The Scheme Amendment to include the DCP Scheme within the City's Local Planning Scheme No.3 (LPS3) was gazetted in May 2013. This allowed the City to place on development and subdivision approvals, the obligation to pay a Cost Contribution for common infrastructure and administration costs to manage the DCP.
8. Following the gazettal of the DCP, the Council was required to adopt a DCP Report and cost apportionment schedule. The DCP Report and the associated cost apportionment schedule sets out, in detail, the calculation of cost contributions for development in accordance with the methodology shown in the DCP.
9. The DCP Report needs to be a dynamic document to maintain the currency of the cost of infrastructure, land and other DCP items. The DCP Report does not form part of LPS3 but, once adopted by the Council, is required by Clause 6.5.11.2 of LPS3 to be reviewed at least annually.

10. **Previous Reviews**

Historical rates for the DCP Report review are as follows:

<b>Date Adopted</b>	<b>Cost Contribution Rate</b>
December 2012	\$23.03/m <sup>2</sup>
December 2013	\$28.49/m <sup>2</sup>
June 2015	\$31.23/m <sup>2</sup> Reduced to \$29.66/m <sup>2</sup> to account for only 50% of the cost of Sultana Road West.
December 2016	\$29.79/m <sup>2</sup>
December 2018	\$17.01/m <sup>2</sup> Comprehensive review of utility cost estimates and reduced land value resulting in significant reduction in cost.
February 2020	\$23/m <sup>2</sup> interim rate (for advertising and immediate application). Included a review of calculation to ensure consistent with SPP3.6 and LPS3.

11. At its Special Meeting held 3 December 2018, the Council resolved to adopt the DCP Report and the Cost Contribution rate of \$17.01/m<sup>2</sup>.

12. As a consequence of matters arising from the 2018 DCP Report annual review, the City of Kalamunda (City) undertook a thorough review and analysed the DCP to determine compliance with relevant LPS3 provisions and the requirements established through State Planning Policy 3.6 – Development Contributions for Infrastructure (SPP3.6).

13. Prior to undertaking the most recent annual review, the City sought advice on the interpretation of the provisions of the LPS3 and SPP 3.6 relating to the calculation and application of the DCP rate. The confidential advices are comprehensive and provide for a way forward which meets the intent and principles of the DCP, LPS3 and SPP3.6. The advices are included as a Confidential Attachment for the benefit of Council.

14. The most recent DCP review and procedural adjustments to the operation of the DCP have been undertaken having regard to the advices received.

**DETAILS AND ANALYSIS**

15. **Method for Calculating Contributions**

Prior to the DCP Report considered by the Council on 25 February 2020, the Cost Contribution was calculated using the whole of the Method for Calculating Contributions (Method) as contained within Schedule 12 of

LPS3. This section contains an equation and supplementary notes used for calculating the Cost Contribution Rate as follows:

<b>Contribution Rate = Cost of infrastructure items + cost of administrative items (\$)</b> <b>Net lot area (m<sup>2</sup>)</b>	} EQUATION
Net lot area = Contribution Area – (Area of Road Reserve + Developed Area)	} NOTES
Cost Contribution Schedule adopted by the local government for DCA 1 which will be reviewed annually. Cost of infrastructure items = remaining infrastructure costs – funds held as money	

16. As outlined in the report to OCM on 25 February 2020, as a consequence of the application of the above equation in its entirety, together with the supplementary notes, as each landowner makes their cost contribution over time, the developed area is deducted from the ‘net lot area’ and the constructed infrastructure and money collected is also removed from the equation, leaving only the remaining (estimated) infrastructure and administrative costs to be divided by the net lot area of undeveloped land.
17. That approach has resulted in some landowners who had developed early, with a rate based on preliminary cost estimates, contributing at a higher rate than landowners who have developed at a later time and with a rate based on the actual cost of infrastructure or more refined estimates. The inclusion of contributions collected, based on higher estimates, as part of the equation also reduced the cost contributions of later landowners, raising issues of equity to those early contributors.
18. In addition, the calculation method resulted in the landowners, who are yet to contribute, only making a contribution towards infrastructure that is yet to be built, and not infrastructure that has already been built, and to which the landowner and the development receives a benefit.
19. In summary, the cost of all infrastructure required to be delivered by the DCP has not been fairly distributed amongst all landowners over the course of the DCP’s operation.
20. The approach has resulted in a situation that is inconsistent with the overarching principles of determining infrastructure contributions (outlined in SPP3.6) and specifically the principle of equity.
21. In order to comply with the requirements of LPS3 and SPP3.6, and to proceed with the operation of the DCP in a practical and equitable manner, the equation included in the above method will still be used, but the City has been advised that it should not have regard to the supplementary notes included below the equation (in particular the use of ‘funds held as money’ or contributions collected).

22. This will result in all infrastructure and administrative costs (based on both estimates and on actual costs) being divided by the net lot area (all developable area minus road reserves) and will address the equity issues.
23. A key area of concern raised through submissions received during advertising of the DCP Report, was that the City's interpretation of LPS3, to disregard certain words in the 'Method for Calculating Contributions' (refer to discussion above) would require; an amendment to the LPS3, public advertising, and ultimately the approval of the Minister for Planning through a scheme amendment.
24. In this regard, the City has been advised that the approach adopted does not constitute or require an amendment to LPS 3. Further detail on this aspect are contained within the confidential attachment for the benefit of Council.
25. The objections also refer to the City not undertaking prior advertising before the immediate application of the interim \$23/m<sup>2</sup> contribution rate. It is argued in Submissions 3 that this process is in breach of the landowners' and developers' rights of consultation and arbitration, as well as accountability in the process of determining the immediate interim rate, in breach of SPP3.6 and the City's LPS 3.
26. It is noted that the City is not required to undertake advertising prior to adopting a DCP Report and a new cost contribution rate. However, the City does in practice advertise during a DCP review to ensure good governance and transparent decision making. It was necessary to apply the interim rate immediately following the Council's consideration on 25 February 2020 to ensure the timely determination of development approvals and building permits and to ensure that any new approvals and consequent cost contributions would be based on the appropriate calculation method and rate.
27. Previous DCP reviews did not highlight the issue in relation to the use of contributions collected in the equation. Based on the City's review, the use of contributions collected in the calculation of the contribution rate occurs in several other DCPs within the metropolitan area. However, what is evident in these DCPs is that there have not been any significant variances in infrastructure estimates as has occurred in this instance.
28. **Reconciliation of Interim Cost Contributions**  
The major infrastructure items within the DCP have been constructed, including the Ashby / Nardine Close connection, Stage 1 of the Nardine Close extension, and major intersection upgrades for Restricted Access Vehicle Classification (RAV) 7 and Bonser Road has recently reached practical completion.

29. There are some infrastructure items (ie. Stage 2 of the Nardine Close extension, Milner Road, Sultana Road West, Berkshire Road and the bush forever fencing) that are yet to be constructed. These items will progressively be constructed as priorities in the DCP are reviewed and funds become available.
30. In addition, there are some other infrastructure items that have either been previously removed or modified (ie. Dundas Road, the Berkshire / Milner intersection and widening to Berkshire Road) as part of reviews to the planning framework for the broader area, or that may no longer be required, resulting in changes to the infrastructure items within DCP over time.
31. The changes over time have impacted the contribution rates that have applied over the same period, along with the transition from estimated costs to actual costs as the rate is continuously reviewed and infrastructure is progressively delivered.
32. LPS3 and SPP3.6 establishes that the contributions that have been paid, or the initial contributions to be paid, when based on estimated costs or a combination of estimated and actual costs, is not final unless pursuant to Clause 6.5.11.4 of LSP3, the City enters into a specific agreement with the owner stipulating the payment based on estimates is a final payment.
33. In the absence of a specific agreement, it is only once all the final infrastructure costs have been established (constructed and paid for) can a final contribution rate for all landowners be determined.
34. In the report to Council on 25 February 2020, it was suggested that the final cost contribution rate could potentially be ascertained in approximately three years (at the conclusion of the 10-year DCP operative timeframe outlined in Schedule 12 of LPS 3). However, in the context of the economic impacts likely to be experienced in the property and development sector because of the COVID-19 pandemic, the take up of development may not occur at the rate previously expected.
35. While it may be possible to ascertain with some certainty and accuracy the estimated costs of outstanding infrastructure items by 2023, it is highly unlikely that all land will be developed and infrastructure items will be constructed by the end of the DCP's operative life.
36. If there is a need to extend the timeframe for the DCP, an amendment to the LPS3 will be required. The City will need to further consider the need for an amendment to extend the timeframe of the DCP having regard to the take up of development over the next three years.

37. Once a final cost contribution rate is known, final invoices or credits for the interim Cost Contributions made will need to be issued. This will mean that some landowners who have paid higher amounts will be provided a credit and some landowners who have paid lower amounts may be required to make an additional contribution.
38. In relation to the landowners who have paid a lower amount, this matter will be considered by the Council at the conclusion of the operation of the DCP when all infrastructure costs and the final financial position of the DCP is known.
39. At the conclusion of the DCP, there may still be some landowners who have not yet developed. The City will have to establish a separate agreement with those landowners to ensure contributions are collected at a future time when they, or a future owner of the land, decide to develop.
40. As part of the review, it has been identified that the landowners of any proposed development will be required to enter into an agreement with the City as a condition of development approval.
41. The agreement will be to formalise the contribution process and ensure security over future payments, as well as providing certainty for any potential credits that may be due at the end of the operation of the DCP.
42. The costs for preparing these agreements have been estimated and are included as an administrative cost within the DCP. It is noted that the estimated costs presented to the OCM on 25 February 2020 was for approximately \$5,000 per agreement (totalling \$150,000 for 31 landowners yet to develop), however this has been revised to approximately \$3,000 (totalling \$90,000) upon further review and in response to submissions received.
43. Initial versions of the DCP calculated contributions based on a gross area (calculated based on total land area) and collected on a net area (deducting areas for road reservations). This resulted in a short fall of contributions of approximately \$195,463. Under the previous DCP calculation methodology, the short fall was proposed to be reconciled at the end of the DCP. As a result of the most recent review, and with payments being considered interim until the conclusion of the DCP, the shortfall will no longer occur as all contributions will be reconciled to the final DCP amount. In this context, the deduction that was previously included has been removed from the calculation of the DCP rate.

44. In summary, based on the requirements of LPS3 and SPP3.6, Cost Contributions that have been made to date are considered interim payments (in the absence of any formal agreement). Furthermore, all future contributions will be considered interim payments until the end of the DCP.
45. At the conclusion of the DCP, when the final contribution rate is known (based on actual costs of all infrastructure), all previous interim contributions made will need to be reconciled against the final rate based on actual costs of the final list of infrastructure items delivered.
46. Five of the submissions received during advertising of the DCP Report raise concern with the approach taken by the City to deem all cost contributions based on estimated costs as 'interim' until actual costs are known (infrastructure is completed) or ascertained with certainty, and to reconcile costs at the end of the DCP's operative life. It is argued that this process is not provided for, or allowed, under the provisions of LPS 3 and is in breach of the principles underlying DCPs, principally transparency and certainty.
47. To summarise the City's approach and the relevant provisions of LPS3 in arriving at this approach, the following is noted:
- a) Clause 6.5.11.4 provides that where any cost contribution has been calculated on the basis of an estimated cost, the local government is to adjust the cost contribution of any owner in accordance with the revised estimated costs. The City may also accept a cost contribution, based upon estimated costs, as a final cost contribution and enter into an agreement with the owner accordingly to settle the acceptance of the final cost contribution and the terms of acceptance.
  - b) Under Clause 6.5.14.1, the owner, with the agreement of the local government, is to pay the Owner's cost contribution by a list of different methods, including "some other method acceptably to the local government" or "any combination of these methods".
  - c) Clause 6.5.14.2 provides that an owner, with the agreement of the local government, may pay the Owner's cost contribution in a lump sum, by instalments or in such other manner acceptable to the local government.
  - d) Clause 6.5.14.3 provides that payment by an Owner of the cost contribution, including a cost contribution based upon estimated costs, in a manner acceptable to the local government, constitutes full and final discharge of the owner's liability under the DCP and in that event, the local government is required to provide certification in writing to the owner of such discharge if requested.
  - e) Clause 6.5.14.3 is clear that an owner only receives a final discharge if a contribution is paid 'in a manner acceptable to the local government'.

As outlined above, the City will deem a cost contribution as full and final discharge of the Owner's liability only once all the final infrastructure costs have been established (constructed and paid for) and, a final contribution rate is determined and costs are reconciled to the satisfaction of the City.

- f) It is noted that the local government may accept a cost contribution based upon estimated costs as a final cost contribution but for it to be a final contribution, this is required to be settled through an agreement between the local government and the owner.
- g) An agreement would provide for an adjustment of the owner's cost contribution, being a refund by the City to the owner if the owner's interim cost contribution exceeds the final cost contribution, or alternatively an additional contribution by the owner if the final cost contribution rate exceeds the interim cost contribution.

48. Having regard to the above, it is clear that the LPS3 provisions enable the City to revise the estimate of an owner's cost contribution from time to time, to receive initial payment of a cost contribution, and to make agreements with an owner as to the payment of the whole or any balance of a cost contribution.

49. **DCP Review**

At each DCP Report review, all factors contributing to the contribution rate must be revised. The significant factors reviewed are as follows:

- a) Remaining developable land;
- b) Land requiring acquisition;
- c) Land valuation;
- d) Estimated and actual costs of infrastructure works;
- e) Administration costs; and
- f) Priority of infrastructure works.

Further discussion regarding these factors are provided below.

50. **Remaining developable land**

As of the end of March 2020, 31 of the 52 lots (approx. 60% of all lots) within the Development Contribution Area were undeveloped equating to approximately 328,715m<sup>2</sup> of 662,344.4m<sup>2</sup> (approx. 50% of land area).

51. Based on the rate of development occurring since the DCP was established in May 2013, the DCP has developed at approximately 50,000m<sup>2</sup> per year, equivalent to five one-hectare lots which are commonly found in the FF/HW Stage 1 area.



52. **Land Requiring Acquisition**

As of the end of March 2020, 16,277.5m<sup>2</sup> has been acquired. To facilitate the delivery of infrastructure in the FF/HW Stage 1 area. Approx. 11,789.06m<sup>2</sup> is required to be acquired, representing approximately 42% of all land required for road construction.

<b>Acquired Area (m<sup>2</sup>)</b>	<b>Cost</b>
16,277.5m <sup>2</sup>	\$4,225,510
<b>Requiring Acquisition (m<sup>2</sup>)</b>	<b>Cost</b>
11,789.06	\$2,947,265

53. It is noted that the detailed designs prepared for Milner Road and Sultana Road West has confirmed that the 93m<sup>2</sup> land acquisition is no longer required on Lot 200 (103) Milner Road. However, the design process has identified a need for an area to accommodate Western Power switchgear and low voltage kiosk to the northern side of the intersection requiring 18.06m<sup>2</sup> of land to be acquired, as a result of the removal of a power pole to facilitate intersection works.

54. A breakdown of the land areas acquired and yet to be acquired is provided in the Section 2.3 of the DCP report (Attachment 1).

55. **Land Valuation**

Historical land values that have informed the previous DCP reviews are as follows:

<b>Date DCP Review Adopted</b>	<b>Land Value</b>
December 2012	\$250/m <sup>2</sup>
December 2013	\$275/m <sup>2</sup>
June 2015	\$260/m <sup>2</sup>
December 2016	\$220/m <sup>2</sup>
December 2018	\$220/m <sup>2</sup>
February 2020	\$240/m <sup>2</sup> interim rate (for advertising and immediate application).
June 2020	\$250/m <sup>2</sup> (for adoption of the DCP Report)

56. It is noted that the land value presented to the Council on 25 February 2020 was \$240/m<sup>2</sup> based on a land valuation completed in July 2019. In March 2020, an updated land valuation was provided with a land value rate of \$250/m<sup>2</sup>. The land valuation has been appended to the DCP report in Attachment 1.

57. **Estimated and Actual Costs of Infrastructure Works**  
As at the end of March 2020, approximately \$3.06m is required to complete the remaining infrastructure works, with \$3.69m spent on infrastructure works to date. Details of these estimates are provided in Attachment 1.
58. The following is noted with regard to the key changes to infrastructure items since the Council's consideration on 25 February 2020 and which have informed the estimated costs in the draft DCP Report currently before the Council for adoption.
59. **Milner Road and Sultana Road West Designs**  
In June 2020, the City received detailed designs for Milner Road and Sultana Road West to 85% status engineering drawings. The designs accommodate category Restricted Access Vehicle (RAV) 7 (36.5m long vehicles) for Milner Road between Berkshire Road and Nardine Close, and 'As of Right' (19m semi-trailer) vehicles for Milner Road between Nardine Close and Sultana Road West. Sultana Road West has been designed with a 9m wide pavement for As of Right vehicles.
60. Regarding the designs prepared for the section of Milner Road between Nardine Close and Sultana Road West and the whole of Sultana Road West, prior to completing the 85% design process the City surveyed existing and approved industrial operators who front on to these sections of road. This process confirmed that none of the businesses currently require, or will require in the future, access for larger RAV vehicles beyond the 'As of Right' standard 19m semi-trailer. Accordingly, the design reflects the current and future access needs with a view of minimising unnecessary infrastructure costs.
61. It is important to note that this process has provided greater confidence in the designs, estimated costs and associated project risks. Accordingly, the contingency included in the DCP been reduced from the previous contingency of 10% for Milner Road and 20% for Sultana Road West to 5% for both items.
62. **Berkshire Road**  
In January 2020, the City received State Government funding through the WA Bicycle Network (WABN) scheme to undertake a design for shared paths on Berkshire and Dundas Road. Subject to the designs and construction estimates being finalised in 2021, the City anticipates grant funding for this project to become available. At this stage, it is not certain that WABN funding for construction will be available. As a result, the DCP has been amended for Berkshire Road to remove the shared path item and instead include the completion and necessary upgrades to the existing 2m wide footpath on the

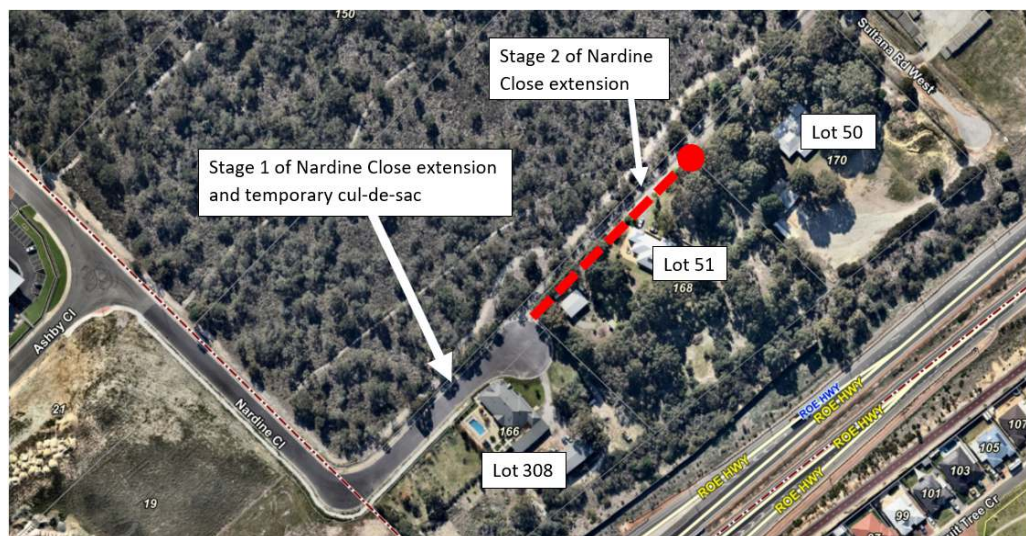
northern side of Berkshire Road as the lowest cost / certainty item to facilitate pedestrian movements from the developments of the lots.

63. A clearance assessment has also been undertaken to all overhead services that cross Berkshire Road (Western Power consumer lines) to determine safe clearance requirements for Restricted Access Vehicle routes. This assessment noted that four overhead consumer lines are required to be undergrounded which is anticipated result in an estimated cost of \$60,000 (\$71,320 including allowances and charges).

64. As a result of a clearly defined scope for works and cost planning on Berkshire Road, the contingency included in the DCP is 5%.

65. **Stage 2 of the Nardine Close extension (Road 2A)**

With regard to Stage 2 of the Nardine Close extension (Road 2A), a development application was approved by the Joint Development Assessment Panel in May 2020 for a place of worship at Lot 50 Sultana Road West, that would utilise Sultana Road West as access entirely, and would not require internal light industrial oriented access to the FF/HW Industrial area, via Nardine Close. Based on the information available to the City, Lot 50 Sultana Road West has been purchased with the intent of developing the site as a place of worship.



66. While the information currently available, and the development approval, indicates that the place of worship development will proceed, the place of worship development has not commenced construction. This leaves open the risk that the development will not proceed and the potential that the site could be developed and used for light industrial purposes. Accordingly, at this stage, the City cannot recommend to Council that Stage 2 of the Nardine Close extension be removed as an item from the DCP until there is certainty that the site does not require access from Nardine Close. To be certain, it is considered that the development should

commence for the place of worship development, which generally means that construction has commenced.

67. While the removal of Stage 2 of the Nardine Close extension would reduce land acquisition and road construction costs to the DCP, the existing temporary cul-de-sac would be required to be brought up to a standard fit for a permanent road reserve.
68. The City sought an opinion on the construction requirements and estimated costs to formalise the temporary cul-de-sac in its current position. Due to concerns being raised by one landowner that the existing cul-de-sac arrangement will not provide adequate access to Lot 51, an alternative arrangement was also considered with the cul-de-sac being modified to be centrally located on the boundary dividing Lots 308 and 51.
69. The analysis, which is provided in Attachment 2 of this report, finds that the existing temporary cul-de-sac location would not detrimentally impact access to Lot 51 Sultana Road West and would allow for the installation of crossovers consistent with industrial sites in the area. Furthermore, the retention of the existing cul-de-sac location would result in construction cost savings of approximately \$56,000 and less land area to be acquired. The retention of the existing cul-de-sac location would therefore be the preferred option in the event that Stage 2 of the Nardine Close extension is removed from the DCP.
70. Necessary works for the retention of the existing cul-de-sac include service relocations, fencing, footpath, a crash barrier to protect the existing dwelling adjacent to the cul-de-sac, and an emergency accessway linking Nardine Close to Sultana Road West for bushfire purposes. Construction costs are estimated to be approximately \$264,400 (ex GST) to make permanent the existing cul-de-sac.
71. On balance, if Stage 2 of the Nardine Close extension (Road 2a) is removed from the DCP, net infrastructure costs and land acquisition would reduce by approximately \$850,000 and the cost contribution rate would reduce to approximately \$21/m<sup>2</sup>.
72. The City will consider, at the time the building has commenced construction, amending the Local Structure Plan and DCP to remove Stage 2.
73. Notwithstanding the City's recommendation in relation to Stage 2, should Council feel comfortable with the level of certainty regarding the place of worship, Council can determine to remove Stage 2 and reduce the DCP rate accordingly.

74. **Administrative Items**

As at the end of March 2020, \$573,912.89 of administrative costs have been spent from the DCP and an estimated \$345,000 is required to administer the DCP for the remaining 3 years, until the conclusion of the 10-year DCP operative timeframe under Schedule 12 of LPS3, unless this period is extended by the City through an LPS3 amendment. Details of these estimates are provided in Attachment 1.

75. As part of the administrative process adopted by the Council on 25 February 2020, the applicant/owner of any proposed development will be required to enter into an agreement with the City as a condition of development approval for the provision of cost contributions. The administrative costs have been reviewed to include the cost of the preparation of the agreement for the remaining properties to be developed within the DCP area. It is noted that the estimated costs presented to the OCM on 25 February 2020 was for approximately \$5,000 per agreement (totalling \$150,000 for 31 landowners yet to develop), however this has been amended to approximately \$3,000 per agreement (totalling \$90,000) upon further review and in response to submissions received.

76. **Priority of Infrastructure Works**

The following items were identified as priorities in the previous DCP reviews and are either completed works or under construction:

- a) Nardine / Ashby Close design, land acquisition and construction;
- b) Nardine Close / Milner Road intersection design and construction;
- c) Ashby Close / Berkshire Road intersection design and construction;
- d) Berkshire / Milner Road intersection design and construction; and
- e) Nardine Close Extension (Road 2A: Stage 1) design and construction.

77. Subject to the availability of funding, the following items are now considered current priority items (listed in order of priority):

- a) Ongoing administration costs, including designs to support detailed cost estimates;
- b) Bonser Road (previously referred to as Road 1) is being prefunded by the landowner of Lot 547 Berkshire Road, the road was completed in June 2020. Although the construction of Bonser Road is completed, this is included in the priority list as the DCP is yet to repay the land acquisition, design and construction costs. It is further noted that this item includes a second stage which will follow the acquisition of truncations from Lots 16 and 17 Berkshire Road, upgrades to bring the Bonser Road intersections up to a standard suitable for category RAV7 vehicles;

- c) Nardine Close Extension (Road 2A: Stage 2) design, land acquisition and construction. In the event that Stage 2 is not required given land use changes in the area, this item will be reprioritised ahead of Bonser Road and replaced with costs associated with bringing the temporary cul-de-sac up to a permanent standard, and design, land acquisition and construction of an emergency accessway on the north-west side of Lots 50 and 51 Sultana Road West;
- d) Berkshire Road foot path and utility adjustments;
- e) Milner Road construction;
- f) Sultana Road West construction; and
- g) Bush Forever Fencing.

78. Should Council decide to remove Stage 2 of the Nardine Close extension as an infrastructure item, the above list will be reprioritised to facilitate land acquisition and construction requirements to make good the temporary arrangements resulting from Stage 1 of the Nardine Close extension (the existing temporary cul-de-sac). In this regard, the priority of works and land acquisition will be included ahead of Bonser Road.

79. As noted above, development in the FF/HW Stage 1 area has occurred at a rate of approximately 50,000m<sup>2</sup> per year. At the recommended development contribution rate, and assuming development occurs at a rate consistent with previous years, it can be projected that \$1.1m of income will be provided per year to fund the above items. However, it is noted that the economic impacts of COVID-19 may slow rates of development.

#### **APPLICABLE LAW**

80. **Local Planning Scheme No. 3**

The Cost Contributions are administered and determined in accordance with the provisions of Clause 6.5 and Schedule 12 of LPS3.

81. Clause 6.5.11.2 of LPS3 requires the DCP cost estimates to be reviewed at least annually.

82. Clause 6.5.11.4 of LPS3 requires the adjustment of Cost Contributions that are calculated on the basis of an estimated cost (and revised estimated cost) and contemplates an agreement between the City and the landowners to establish a final Cost Contribution based on estimated costs.

#### **APPLICABLE POLICY**

83. The review of the DCP has been undertaken in accordance with the requirements of State Planning Policy 3.6 – Development Contributions for Infrastructure.

## STAKEHOLDER ENGAGEMENT

84. Following the Council's adoption of the draft DCP Report and an interim Cost Contribution rate of \$23/m<sup>2</sup>, advertising was undertaken with the landowners within the Development Contribution Area in accordance with *Local Planning Policy 11 – Public Notification of Planning Proposals*. Specific correspondence explaining the process was issued to landowners.
85. During the advertising period, a total of eight submissions were received, comprising six objections with comments and two submission commenting on the proposal (Attachment 3). The key comments raised are discussed under the Details and Analysis section of this report.
86. Consulting engineers were engaged to undertake an independent and comprehensive review of infrastructure cost estimates, these estimates have formed the basis of unconstructed works within the DCP Report. A copy of the report containing infrastructure cost estimates is provided in Attachment 2.
87. Prior to undertaking the most recent annual review, the City sought advice on the interpretation of the provisions of the LPS3 and SPP 3.6 relating to the calculation and application of the DCP rate. The confidential advices are comprehensive and provide for a way forward which meets the intent and principles of the DCP, LPS3 and SPP3.6. The advices are included as a Confidential Attachment for the benefit of Council.
88. The most recent DCP review and procedural adjustments to the operation of the DCP have been undertaken having regard to the advices received. The Council noted the advice at its Ordinary Meeting held 25 February 2020.

## FINANCIAL CONSIDERATIONS

89. The operation of the DCP presents a major administrative responsibility for the City. While the DCP is self-funded, the City has an implicit obligation to manage the revenues and works.
90. The remaining developable area is reliant on the DCP to provide the necessary infrastructure to facilitate development. In particular, the timely provision of roads and drainage is critical for industrial precincts as most developments rely on these improvements for suitable access. Additionally, the area wouldn't have been rezoned for industrial purposes if the necessary infrastructure was provided.

91. As outlined in the Details and Analysis Section of this report, the reconciliation of costs will be required once a final cost contribution rate is known or ascertained with certainty. This process will involve a credit to those landowners who have paid at a higher rate, with the funds necessary to make this credit being available in the DCP reserve account.
92. Additional contributions may be required from those landowners who have paid at a lower rate. Based on the proposed rate, the anticipated payments would total approximately \$300,000.
93. The Council will consider the reconciliation of any possible future payment at the conclusion of the operation of the DCP.

## **SUSTAINABILITY**

### **Social Implications**

94. The provision of infrastructure in a timely, coordinated and responsible manner can have a significant impact on the quality of life for both existing and future occupiers.
95. Impacts on the quality of life need to be considered at both a micro and macro level, with infrastructure planning needing to deliver net community benefits and recognising that the expectations of not every single landowner will be able to be satisfied.

### **Economic Implications**

96. The implementation of DCPs, as a basic principle, are not intended to deliver infrastructure, services or similar that would not ordinarily be provided through subdivision and development processes; as such, a DCP does not offer any direct economic benefits to an area. DCPs can, however, assist in the timely, efficient and equitable provision of infrastructure that may in turn facilitate economic growth and employment creation.

### **Environmental Implications**

97. The proposed DCP infrastructure is identified in areas where vegetation is predominantly cleared. A portion of road reservation abuts a Bush Forever Reserve and during the construction phase, due consideration will have to be given to ensure impacts to this area are minimised.



**RISK MANAGEMENT**

98.

<b>Risk:</b> The removal of Stage 2 of the Nardine Close extension before the City is certain that the place worship development at Lot 50 Sultana Road West will proceed, leaves open the possibility that the site will be developed for light industrial purposes without coordinated access to Nardine Close. The City would potentially, need to fund the road directly from Rates funding or re-introduce Stage 2 at a later review providing uncertainty in the rate and increasingly the number of landowners where additional funds would need to be collected.		
<b>Consequence</b>	<b>Likelihood</b>	<b>Rating</b>
Major	Possible	High
<b>Action/Strategy</b>		
It is recommended that Stage 2 of the Nardine Close extension remain in the DCP until development commences for the place of worship development at Lot 50 Sultana Road West. An amendment to the Local Structure Plan and DCP to remove Stage 2 can occur thereafter.		

99.

<b>Risk:</b> The retention of Stage 2 of the Nardine Close extension as an item in the DCP on the premise that the place worship development at Lot 50 Sultana Road West will proceed, results in the DCP continuing to collect funds for infrastructure that may not be required and result in a higher number of refunds at the conclusion of the operation of the DCP.		
<b>Consequence</b>	<b>Likelihood</b>	<b>Rating</b>
Significant	Likely	High
<b>Action/Strategy</b>		
The DCP is structured in a way that payments are interim until the conclusion of the DCP, and if the infrastructure costs reduce in the future through the removal of Stage 2 of the Nardine Close extension, this will be reconciled to the final DCP amount and repayments made accordingly.		

100.

<b>Risk:</b> Not undertaking the review so the Development Contribution Plan is not in alignment with current infrastructure and administrative costs.		
<b>Consequence</b>	<b>Likelihood</b>	<b>Rating</b>
Significant	Rare	Medium
<b>Action/Strategy</b>		
Ensure the Council is aware that a DCP review is required to ensure the new rate is reflective of projected costs to deliver infrastructure works and land purchases. Additionally, Clause 6.5.11.2 of LPS3 states that reviews should occur at least annually.		

101.	<b>Risk:</b> There is insufficient money collected in the DCP to fund infrastructure upgrades.		
	<b>Consequence</b>	<b>Likelihood</b>	<b>Rating</b>
	Possible	Major	High
	<b>Action/Strategy</b>		
	Ensure that the City enters into agreements with landowners to ensure the adjustment of Cost Contributions at the end of the DCP's operational life. Undertake annual reviews to ensure the scope of infrastructure remains relevant and to maintain the currency of the cost of infrastructure, land and other DCP items.		

102.	<b>Risk:</b> The City may not be able to secure additional funds from landowners who have paid at a lower amount to the final cost contribution rate.		
	<b>Consequence</b>	<b>Likelihood</b>	<b>Rating</b>
	Significant	Possible	High
	<b>Action/Strategy</b>		
	Ensure landowners are advised that the cost contribution is not deemed to be final until a final cost contribution rate is known or ascertained with certainty.		

103.	<b>Risk:</b> Errors are contained within the DCP estimates and calculation.		
	<b>Consequence</b>	<b>Likelihood</b>	<b>Rating</b>
	Major	Possible	High
	<b>Action/Strategy</b>		
	Ensure figures are audited and sourced from financial statements. Ensure cost estimates are reviewed annually and provided by an independent consultant.		

**CONCLUSION**

104. The recommendations contained within this report regarding the interpretation of the method and establishing a Cost Contribution is necessary to ensure an equitable DCP for the remainder of the DCP's operative life (until approx. 2023) or until a final cost contribution rate is known or ascertained with certainty.

- 105. A process has been proposed to reconcile Cost Contributions only once a final cost contribution is established (i.e. when all the infrastructure is built, and the actual cost of the infrastructure is known). This exercise will involve credits being issued to some landowners who made a higher contribution, and the City may seek additional Cost Contributions from other landowners who contributed at a lower rate.
- 106. The Council will consider the reconciliation of any possible future payment from these owners at the conclusion of the operation of the DCP.
- 107. Based on the recommended method and inputs for establishing the Cost Contribution discussed earlier in this report and the costs outlined in the DCP Report, the Cost Contribution Rate is determined by dividing the total cost of infrastructure and administrative items by the net lot area of the DCA. The following formula has been used in this regard:

<b>Cost of infrastructure items</b>	+	<b>Cost of administrative items</b>
\$13,850,683.01		\$918,912.89
<b>Net lot area of DCA</b>		
662,344.44 m <sup>2</sup>		
<b>Contribution Rate</b>	=	<b>\$22.30 /m<sup>2</sup></b>

- 108. Accordingly, it is recommended that the Council adopt the DCP Report and the interim Cost Contribution rate of \$22.30/m<sup>2</sup>.
- 109. A memorandum has been included at Attachment 4 of the report and outlines additional information, details and analysis that has been received since the Public Agenda Briefing Forum (PABF) on 14 July 2020. This additional information has resulted in some amendments to the DCP Report and attachments between the PABF and the Ordinary Council Meeting. Accordingly, the recommended Cost Contribution Rate reflects these amendments.

<b>Voting Requirements: Simple Majority</b>
---

**RECOMMENDATION**

That Council:

1. NOTE the submissions received during advertising of the Forrestfield / High Wycombe Industrial Area – Stage 1 Development Contribution Plan Report (Attachment 3).
2. ADOPT the Forrestfield / High Wycombe Industrial Area Development Contribution Plan Report (Attachment 1).
3. ADOPT the Cost Contribution Rate of \$22.30/m<sup>2</sup> effective immediately.
4. AUTHORISE the Chief Executive Officer to issue correspondence to landowners advising of the adopted Cost Contribution Rate.

## 10.2. Asset Services Reports

### 10.2.1. Kalamunda Road Functional Review - Abernethy Road to Roe Highway Adoption

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

Previous Items	OCM 175/2019; OCM 35/2020
Directorate	Asset Services
Business Unit	Asset Planning
File Reference	4.00009360
Applicant	N/A
Owner	N/A
Attachments	Nil

#### TYPE OF REPORT

- Advocacy When Council is advocating on behalf of the community to another level of government/body/agency
- Executive When Council is undertaking its substantive role of direction setting and oversight (e.g. accepting tenders, adopting plans and budgets)
- Information For Council to note
- Legislative Includes adopting Local Laws, Town Planning Schemes and Policies. When Council determines a matter that directly impacts a person's rights and interests where the principles of natural justice apply. Examples include town planning applications, building licences, other permits or licences issued under other Legislation or matters that could be subject to appeal to the State Administrative Tribunal

**This report has been withdraw and will be represented to the Public Agenda Briefing Forum 11 August 2020.**

## 10.2.2. Consideration of Tenders for the Supply and Laying of Asphalt Road Surfacing (RFT 2010)

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

Previous Items	OCM 67/2011; OCM 155/2014; OCM 86/2015
Directorate	Asset Services
Business Unit	Asset Delivery
File Reference	AD-TEN-005
Applicant	N/A
Owner	N/A
Attachments	Nil
Confidential Attachment	<u>Reason for Confidentiality:</u> <i>Local Government Act 1995 s5.23 (c)</i> <i>"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."</i>

### TYPE OF REPORT

- Advocacy When Council is advocating on behalf of the community to another level of government/body/agency
- Executive When Council is undertaking its substantive role of direction setting and oversight (e.g. accepting tenders, adopting plans and budgets)
- Information For Council to note
- Legislative Includes adopting Local Laws, Town Planning Schemes and Policies. When Council determines a matter that directly impacts a person's rights and interests where the principles of natural justice apply. Examples include town planning applications, building licences, other permits or licences issued under other Legislation or matters that could be subject to appeal to the State Administrative Tribunal

### STRATEGIC PLANNING ALIGNMENT

*Kalamunda Advancing Strategic Community Plan to 2027*

#### **Priority 3: Kalamunda Develops**

**Objective 3.2** - To connect community to quality amenities.

**Strategy 3.2.1** - Optimal management of all assets.

**Strategy 3.2.2** - Provide and advocate for improved transport solutions and better connectivity through integrated transport planning.

### EXECUTIVE SUMMARY

1. The purpose of this report is to consider the acceptance of a tender for the supply and laying of asphalt road surfacing for the City of Kalamunda (City).
2. The City issued a Request for Tender seeking to engage a contractor for Supply and Laying of Asphalt Road Surfacing (RFT 2010).
3. It is recommended Council accept the schedule of rates tender from Fulton Hogan Industries (ACN 000 538 689) for a three-year period, with one single year option for extension.

### BACKGROUND

4. The supply and laying of asphalt road surfacing is currently undertaken under Contract 1505 which commenced on 27 July 2015 and is due to expire on 27 July 2020.
5. The scope of works for this tender is for the supply and laying of asphalt road surfacing for a period of three years with an option to extend by one year as per specification and drawings, to areas directed by the City for both operational (maintenance) and capital works.
6. It would not be as cost effective for the City to undertake these works inhouse given the specialist plant required and the 'ad hoc' nature of the works.

### DETAILS AND ANALYSIS

7. The City issued RFT 2010 seeking to engage a suitably experienced and qualified Civil Contractor to undertake the supply and laying of asphalt road surfacing to areas directed by the City. Tenders closed on 18 May 2020, with six tenders received by the closing date.
8. Tenders received by the closing date were from the following companies (in alphabetical order):
  - a) Asphaltech Pty Ltd;
  - b) Civcon Civil Project Management Pty Ltd;
  - c) Downer EDI Works Pty Ltd;
  - d) Fulton Hogan Industries;
  - e) Kee Surfacing Pty Ltd; and
  - f) Roads 2000 Pty Ltd.

9. An Evaluation Panel was convened of suitable qualified City Officers to assess the tenders received.
10. Tenders were assessed in a staged process of firstly checking for compliance to matters set out in the tender invitation. Compliant tenders were then assessed against qualitative criteria (again set out in the tender invitation). The Qualitative Criteria and weighting were determined as follows:

Qualitative Criteria	Weighting
Relevant Experience	30%
Tenderer's Resources	20%
Key Personnel Skills & Experience	20%
Demonstrated Understanding of the Requirements	30%

11. Compliant tenders which met or exceeded the qualitative pass mark of 60% were then assessed for price.
12. The six compliant tenders were ranked as follows regarding the Qualitative Criteria:

Tenderer	Score	Rank
Asphaltech Pty Ltd	70%	1
Fulton Hogan Industries	64%	2
Roads 2000 Pty Ltd	61%	3
Downer EDI Works Pty Ltd	60%	4
Civcon Civil Project Management Pty Ltd	50%	5
Kee Surfacing Pty Ltd	41%	6

13. Four tenders achieved the required minimum of 60% as a Qualitative Pass Mark (QPM). The remaining two tenderers below the required QPM were eliminated from further assessment.
14. A price assessment was then undertaken for the remaining four tenders to determine the best value for money outcome for the City.
15. The Tender Evaluation Report is provided as Confidential Attachment 1 to this report.



16. The recommended tender best satisfied the City's requirements in terms of:
- a) meeting or exceeding the qualitative assessment benchmark;
  - b) proven capacity and capability to undertake the work;
  - c) satisfying reference checks from previous clients;
  - d) satisfying independent financial reference checks of the proposed contractor; and
  - e) providing the best value for money outcome.
17. The Evaluation Panel has recommended Fulton Hogan Industries as the preferred Tenderer based on having best satisfied all criteria in the Evaluation Process and having submitted the most competitive pricing for their services.
18. The basis of the contract is to engage the Contractor on an agreed set of rates to undertake works as needed and within budget provisions. As such, given the effort in scoping the necessary works from year to year, this is the preferred and most efficient way of undertaking works.
19. The contract is proposed to be for an initial term of three years with a further one-year extension option at the discretion of the City. Prices submitted in the Schedule for Rates price schedule remain fixed for the periods specified, except for the adjustment in contract price based on the rise and fall of bitumen prices, which shall be calculated as per the formula given in the Specifications and Scope of Services.

#### **APPLICABLE LAW**

20. Section 3.57 of *Local Government Act 1995*. Part 4 of the *Local Government (Functions and General) Regulations 1996*.

#### **APPLICABLE POLICY**

21. Policy C-PP01 – Purchasing, has been followed and complied with.

#### **FINANCIAL CONSIDERATIONS**

22. It is estimated that the annual spend on asphalt services will be in the order of \$700,000 depending on the approved capital works infrastructure program and the extent of asphalt maintenance works. This cost forms part of the overall annual budget for both operational (maintenance) and capital works.

#### **SUSTAINABILITY**

23. Nil.

**RISK MANAGEMENT**

24.	<b>Risk:</b> That the Contractor fails to provide the services to the satisfaction of the City requiring the time and cost expense of re-tendering the services		
	<b>Consequence</b>	<b>Likelihood</b>	<b>Rating</b>
	Unlikely	Moderate	Low
	<b>Action/Strategy</b>		
	Corporate scorecard demonstrates financial viability of the Contractor, reference checking has shown good performance elsewhere and the City's tendering documents are explicit in service standards required.		

**CONCLUSION**

25.           Setting in place a contract with known costs for asphalt services for a potential four-year period is an effective and efficient process which overcomes the administrative burden of having to seek quotes on an ongoing basis for both ad hoc and programmed works.

**Voting Requirements: Simple Majority**

**RECOMMENDATION**

That Council ACCEPT the tender for the Supply and Laying of Asphalt Road Surfacing (RFT 2010) from Fulton Hogan Industries ACN 000 538 689 as per the schedule of rates set out in Confidential Attachments 1 and 2 for a three-year period from 28 July 2020, with the option of a one-year extension at the City of Kalamunda's discretion.

**10.3. Corporate Services Reports**

No Reports Presented.

**10.4. Office of the CEO Reports**

**10.4.1. Community Sporting and Recreation Facility Funding Program - Small Grants Applications August 2020**

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

Previous Items	N/A
Directorate	Office of the CEO
Business Unit	Leisure Planning
File Reference	
Applicant	City of Kalamunda
Owner	City of Kalamunda
Attachments	Nil

**TYPE OF REPORT**

- Advocacy When Council is advocating on behalf of the community to another level of government/body/agency
- Executive When Council is undertaking is substantive role of direction setting and oversight (eg accepting tenders, adopting plans and budgets)
- Information For Council to note
- Legislative Includes adopting Local Laws, Town Planning Schemes and Policies. When Council determines a matter that directly impacts a person's rights and interests where the principles of natural justice apply. Examples include town planning applications, building licences, other permits or licences issued under other Legislation or matters that could be subject to appeal to the State Administrative Tribunal

## STRATEGIC PLANNING ALIGNMENT

*Kalamunda Advancing Strategic Community Plan to 2027*

### Priority 1: Kalamunda Cares and Interacts

**Objective 1.2** - To provide a safe and healthy environment for community to enjoy.

**Strategy**- 1.2.3 Provide high quality and accessible recreational and social spaces and facilities.

**Strategy - 1.2.1** Facilitate a safe community environment.

### Priority 1: Kalamunda Cares and Interacts

**Objective 1.3** - To support the active participation of local communities.

**Strategy 1.3.1** - Support local communities to connect, grow and shape the future of Kalamunda.

### Priority 3: Kalamunda Develops

**Objective 3.2** - To connect community to quality amenities.

**Strategy 3.2.1** - Optimal management of all assets.

## EXECUTIVE SUMMARY

1. The purpose of this report is to seek Council endorsement and rank in priority order two funding applications through the Department of Local Government, Sport and Cultural Industries (DLGSC) Community Sporting and Recreation Facilities Fund (CSRFF) August 2020 Small Grants round.
2. The two CSRFF funding applications being considered are:
  - a) Kalamunda Lesmurdie Little Athletics Club (KLLAC) – Storage area extension.
  - b) Kalamunda Cricket Club (KCC) – Synthetic cricket wicket installation.
3. It is recommended that Council:
  - a) ENDORSE the submission of two CSRFF funding applications in the August 2020 Small Grants Round and rank them in the priority order of:
    - i. Kalamunda Lesmurdie Little Athletics Club – Extension of the storage area within Pat Moran Pavilion at Kalamunda Sporting Precinct.
    - ii. Kalamunda Cricket Club – Installation of a new synthetic cricket wicket in the Northern Oval at Kalamunda Sporting Precinct.
  - b) NOTE an amount of \$38,000 has been included within the City's 2020/21 Budget for the KLLAC storage area extension project.

## BACKGROUND

4. Through the CSRFF program, the State Government provides financial assistance to community groups and local governments to develop basic infrastructure for sports and recreation.
5. The CSRFF program aims to increase participation in sports and recreation with an emphasis on increasing physical activity through the provision of well-planned facilities.
6. The maximum CSRFF grant available will be no greater than one third of the total estimated project cost.
7. The DLGSCI requires the City to assess CSRFF applications and rank each application in priority order for funding.
8. All CSRFF applications for the August 2020 Small Grants Round are to be submitted to DLGSC by 4pm on the 14th August 2020.
9. It is anticipated that successful applicants will be advised in October 2020, with funds to be expended by 15 June 2021.
10. The timeline for the CSRFF application process has been brought forward by three weeks in order to approve successful projects sooner, in the anticipation of them providing an immediate economic stimulus, in support of recovery efforts from COVID-19.

## DETAILS AND ANALYSIS

11. **KLLAC – Storage Area Extension**
12. The KLLAC in partnership with KCC and Kalamunda Districts Junior Football Club (KDJFC) submitted a Capital Grants Application in September 2019 requesting City funding support for the extension of the storage area within Pat Moran Pavilion at Kalamunda Sporting Precinct.
13. The KLLAC currently operate their training programs at the Kalamunda Sporting Precinct in the summer season and store all their athletics equipment in a sea container based on Department of Education ground at Kalamunda Senior High School (KSHS), therefore they are unable to guarantee long term tenure. The sea container is currently located in a position that it is very difficult for children and club volunteers to carry heavy equipment to and from the sports field.

14. The extension of the storage area within Pat Moran Pavilion will provide KLLAC with a permanent storage solution and resolve the need for additional storage from KCC and KDJFC. The project will facilitate KLLAC becoming a co-tenant of Pat Moran Pavilion, which will provide a further benefit by allowing them to have permanent access to kitchen and toilet facilities. This project is considered a good example of facility colocation and prevents potentially costly facility duplication on the site.
15. Combined, the three user groups are estimated to have a total of 740 members, who will benefit from the project.
16. The Strategic Sport and Recreation Committee (SSRC) supported the need for the project and recommended that Council consider an amount of \$38,000 towards this project in the 2020/21 budget and submit a CSRFF Small Grants Application. The SSRC ranked the project 1 of 2.
17. The total estimated project cost is \$100,500. The CSRFF programs allows the project to receive up to one third of the total estimated project cost.
18. **KCC – Synthetic Cricket Wicket Installation**
19. The KCC are seeking to install a new synthetic cricket wicket in the northern oval at the Kalamunda Sporting Precinct. KCC are currently utilising multiple Reserves across the City for their home games, which is not ideal from a player retention, volunteer management and social connectivity perspective. KCC currently has a total membership of 192.
20. KCC has identified that having a new synthetic cricket wicket will provide significant benefits to their club including:
  - a) Being able to host two senior or three junior cricket matches concurrently at the one site. This will enhance player retention and reduce volunteer management issues that are associated with operating sports across multiple venues.
  - b) A cricket wicket being located directly adjacent to Pat Moran Pavilion will provide viewing facilities for players and spectators. This will enable the club to enhance its financial viability as it will retain its existing membership base and enable an expanded kiosk operation.
21. A Deed of Agreement between the City and KCC is currently being developed based on the agreed project principles workshopped with the Reserve stakeholders.
22. The total estimated project cost is \$18,612. KCC has agreed to fully fund the capital installation costs and associated annual operational expenses, however, is seeking external capital funding opportunities to reduce its financial outlay.

23. The two projects have been ranked in the above order due to the:
- a) SSRC assessment and prioritisation process; and
  - b) Level of community benefit for the projects given the number users affected.

#### **APPLICABLE LAW**

24. *Section 5.56 of the Local Government Act 1995 (WA)* requires that the local government plan for the future of the district.

#### **APPLICABLE POLICY**

25. Capital Grants Clubs & Community Groups (GOV11) provides key principles, priorities, needs and assessment criteria for future upgrades or new community and recreation infrastructure.

#### **STAKEHOLDER ENGAGEMENT**

26. KLLAC – Extension of the storage area within Pat Moran Pavilion has been reviewed by the relevant City's Technical Officers and then assessed by the SSRC. This project has been endorsed by the KLLAC, KDJFC and KCC.
27. KCC – Installation of a new synthetic cricket wicket has been reviewed by the City's Technical Officers and has been endorsed by the KLLAC, KSHS and KDJFC.
28. Should the CSRFF funding be successful with DLGSC, further consultation will be undertaken with the relevant site stakeholders.

#### **FINANCIAL CONSIDERATIONS**

29. The City of Kalamunda's contribution towards the proposed projects will be dependent on the outcome of the CSRFF applications.

30. **KLLAC – Storage area extension**  
As resolved at the 30 June 2020, Special Council Meeting, Council adopted the 2020/2021 budget including funding support of up to \$38,000 for the extension of the storage area within Pat Moran Pavilion.

The total estimated project cost is \$100,500. The project is proposed to be funded through the following sources:

Organisation	Funding Contributions ex GST and City overheads
CSRFF	\$33,500
City of Kalamunda	\$38,000
KLLAC, KDJFC and KCC	\$29,000
<b>Total Estimated Project Cost</b>	<b>\$100,500</b>

31.

If a CSRFF grant application is successful, then the grant must be acquitted by 15 June 2021.

32.

If a CSRFF application is unsuccessful then, Council would need to consider whether to:

- a) fund the full amount of the shortfall (potentially an additional \$33,500 exclusive GST);
- b) require the relevant sporting clubs to fund the full amount of the shortfall;
- c) agree to jointly fund the full amount of the shortfall with the relevant sporting clubs;
- d) not to progress the project this financial year (2020/21) and seek to reapply for funding through CSRFF at the next opportunity being February 2021. Should this occur, funding would not be available until the 2021/22 financial year.

33.

#### **KCC – Synthetic Cricket Wicket Installation**

KCC did not seek funding through the City of Kalamunda Capital Grants program as they have agreed to fully fund the capital installation costs and annual operational expenses themselves. The project is proposed to be funded through the following sources:

Organisation	Contributions ex GST
CSRFF	\$6,204
City	Nil
KCC	\$12,408
<b>Total Estimated Project Cost</b>	<b>\$18,612</b>

34.

If a CSRFF grant application is successful, then the grant must be acquitted by 15 June 2021.

35.

If a CSRFF grant application is unsuccessful then, KCC would need to consider its funding options.



## SUSTAINABILITY

### Social Implications

36. The provision of high-quality community sport and recreation facilities is essential in developing a positive sense of community and health wellbeing.

### Economic Implications

37. The implementation of the two applications will likely provide local job opportunities and provide increase economic activity to the local community during the construction phase.

### Environmental Implications

38. No environmental implications have been identified for either of the two Applications.

## RISK MANAGEMENT

- 39.
- |   |                   |               |
|---|-------------------|---------------|
| <b>Risk:</b> That the CSRFF applications are unsuccessful.  |                   |               |
| <b>Consequence</b>  | <b>Likelihood</b> | <b>Rating</b> |
| Moderate  | Possible          | Medium        |
| <b>Action/Strategy</b>  |                   |               |
| Council and / or the relevant sporting clubs may decide to contribute the full amount of the total estimate project cost, or potentially consider reapplying in a future CSRFF funding round. |                   |               |

## CONCLUSION

40. Two funding applications are being considered through the DLGSC CSRFF August 2020 Small Grants round being:
- a) KLLAC – Extension of the storage area within Pat Moran Pavilion at Kalamunda Sporting Precinct.
  - b) KCC (Applicant) – Installation of a new synthetic cricket wicket in the Northern Oval at Kalamunda Sporting Precinct.
41. The two projects have been ranked in the above order due to the:
- a) SSRC assessment and prioritisation process; and
  - b) Level of community benefit for the projects given the number users affected.

42. It is anticipated that successful applicants will be advised in October 2020, with funds to be expended by 15 June 2021.

In summary, it is recommended that Council endorse the submission of two CSRFF applications in the August 2020 Small Grants Round.

<b>Voting Requirements: Simple Majority</b>
---

## RECOMMENDATION

That Council:

1. ENDORSE the submission of two Department of Local Government, Sport and Cultural Industries Community Sporting and Recreation Facilities Fund applications in the August 2020 Small Grants Round and rank them in the priority order of:
  - a) Kalamunda Lesmurdie Little Athletics Club – Extension of the storage area within Pat Moran Pavilion at Kalamunda Sporting Precinct.
  - b) Kalamunda Cricket Club – Installation of a new synthetic cricket wicket in the Northern Oval at Kalamunda Sporting Precinct.
  
2. NOTE an amount of \$38,000 has been included within the City of Kalamunda's 2020/21 Budget for the extension of the storage area within Pat Moran Pavilion at Kalamunda Sporting Precinct.

**10.5. Audit & Risk Committee Recommendation**

**10.5.1** The recommendations of reports 10.5.2 and 10.5.4 inclusive be adopted by Council en bloc.

Moved:

Seconded:

Vote:

**10.5.2 A&R Item 9.1.1. Interim Audit Findings for the year ending 30 June 2020**

<b>Voting Requirements: Simple Majority</b>
---

**COMMITTEE RECOMMENDATION TO COUNCIL**

That Council ACCEPTS the findings of the Interim Audit undertaken in May 2020 for the financial year ending 30 June 2020 (Attachment 2).

**10.5.3 A&R Item 9.1.2. Internal Audit Report July 2020**

<b>Voting Requirements: Simple Majority</b>
---

**COMMITTEE RECOMMENDATION TO COUNCIL**

That Council:

1. RECEIVE the details of the Internal Audit Review conducted during the past quarter.
2. NOTE the status of the Internal Audit Tracker.
3. AMEND the three year Strategic Internal Audit Plan.

10.5.4 A&R Item 9.1.3. Local Government (Audit) Regulations 1996 -  
Outcome of Regulation 17 Review

Voting Requirements: Simple Majority
--------------------------------------

**COMMITTEE RECOMMENDATION TO COUNCIL**

That Council RECEIVE the outcomes of the *Local Government (Audit) Regulations 1996* Regulation 17 Review (Attachment 1)

## 10.6. Chief Executive Officer Reports

### 10.6.1. Draft Monthly Financial Statements to June 2020

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

Previous Items	N/A
Directorate	Corporate Services
Business Unit	Financial Services
File Reference	FIR-SRR-006
Applicant	N/A
Owner	N/A

Attachments	1. Statement of Financial Activity for the year ended 30 June 2020 [10.6.1.1 - 2 pages]
	2. Statement of Net Current Funding Position as of 30 June 2020 [10.6.1.2 - 1 page]

#### TYPE OF REPORT

- Advocacy When Council is advocating on behalf of the community to another level of government/body/agency
- Executive When Council is undertaking its substantive role of direction setting and oversight (eg accepting tenders, adopting plans and budgets)
- Information For Council to note
- Legislative Includes adopting Local Laws, Town Planning Schemes, and Policies. When the Council determines a matter that directly impacts a person's rights and interests where the principles of natural justice apply. Examples include town planning applications, building licenses, other permits or licenses issued under other Legislation or matters that could be subject to appeal to the State Administrative Tribunal

#### STRATEGIC PLANNING ALIGNMENT

*Kalamunda Advancing Strategic Community Plan to 2027*

##### **Priority 4: Kalamunda Leads**

**Objective 4.1** - To provide leadership through transparent governance.

**Strategy 4.1.1** - Provide good governance.

**Strategy 4.1.2** - Build an effective and efficient service-based organisation.

## EXECUTIVE SUMMARY

1. The purpose of this report is to provide Council with the Statutory Financial Statements for the year ended 30 June 2020.
2. The Statutory Financial Statements report on the activity of the City of Kalamunda (City) with a comparison of the year's performance against the mid-term review budget adopted by the Council on 24 March 2020 for the 2019/2020 financial year.
3. It is recommended that the Council receives the draft Monthly Statutory Financial Statements for the year ended 30 June 2020, which comprise:
  - a) Statement of Financial Activity (Nature or Type);
  - b) Statement of Financial Activity (Statutory Reporting Program);
  - c) Net Current Funding Position note to the financial report.

## BACKGROUND

4. The Statement of Financial Activity (Attachment 1), incorporating various sub-statements, has been prepared in accordance with the requirements of the *Local Government Act 1995 (Act)* and Regulation 34 of the Local Government (Financial Management) Regulations 1996.
5. At the Special Council meeting held on 7 April 2020, the Council adopted the City's COVID 19 Financial Hardship policy, changes to budget 2019/2020 and recommendations on how to relieve some of the financial distress experienced by the community as a result of the current global situation.

The following key measures are adopted in order to provide financial support to the Community:

- a) Suspend lease rental for City-owned buildings estimated impact of \$66,000.
- b) Provide a full refund on all COVID-19 related cancelled bookings at City properties or facilities estimated impact of \$372,000.
- c) Suspend debt recovery through the courts for outstanding rates payments. This relates to General Procedure Claims that have been lodged for outstanding rates debtors. This will reduce incurring additional legal expenses to ratepayers during this time, with debt recovery to recommence subsequent to the COVID-19 crisis. This does not have a financial impact on the City as the legal costs are recovered from the ratepayer.

In total, the above measures will result in an estimated reduction of \$438,000 of revenue for the 2019/20 financial year. It should be noted the statutory budget review was adopted by Council at its Ordinary Council Meeting on 24 March 2020 reporting a year-end estimated accumulated surplus of \$3.5 million, which is sufficient to fund the financial relief efforts mentioned.

6. The opening funding position in the Statement of Financial Activity reflects the audited surplus carried forward from 2018/2019. The adjustment to fees and charges and the accumulated surplus as a result of the special council meeting on 7 April 2020, has been incorporated into the June 2020 month-end results.

### **DETAILS AND ANALYSIS**

7. The Act requires the 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.
8. The draft report provided is un-audited and subject to change for the below year end entries:
- a) Land and Building revaluation entries are pending subject to our External Auditors' review;
  - b) Capital projects are at a point of finalisation which can impact on asset categories and depreciation;
  - c) Provisions for staff leave entitlements have not been finalised;
  - d) Prepayments and accruals are still pending reconciliations of receivable / supplier accounts;
  - e) June 2020 Overhead allocations have not been finalised and under/over recoveries on allocation accounts are yet to be finalised;
  - f) Audited results of Eastern Metropolitan Regional Council (EMRC) of which the City owns a substantial percentage of equity have not been finalised;
  - g) Adjustments related to the new Australian Accounting Standards effective from 2019/20.
  - h) Potential audit adjustments resulting from the final audit by the Office of the Auditor General.

### **FINANCIAL COMMENTARY**

#### **Draft Statement of Financial Activity by Nature and Type for the period ended 30 June 2020**

9. This Statement reveals a net result surplus of \$9,960,149 compared to the budget for the same period of \$3,065,802.

## Operating Revenue

10. Total Revenue excluding rates is over budget by \$160,915. This is made up as follows:
- a) Operating Grants, Subsidies are over budget by \$1,099,296. The variance is mainly due to the early receipt of the 2020/21 Federal Financial Assistance Grant first quarter payment. The City received \$1,300,177 in May related to 2020/21.
  - b) Contributions, reimbursements and donations are under budget by \$1,701,943. This variance is mainly attributable to the outstanding EMRC year-end adjustment
  - b) Fees and Charges are under budget by \$9,887. This is an aggregate result of minor variances in individual fee categories.
  - c) Interest Income is under budget by \$29,310. This is primarily due to, the lower interest rates offered in the market during the latter part of the year.
  - d) Other Revenue is over budget by \$787,983. The variance is mainly attributable to the dividend received from EMRC in June \$803,210.

## Operating Expenditure

11. Total expenditure is under budget by \$1,517,960. The significant variances within the individual categories are as follows:
- a) Employment Costs are under budget by \$865,735, which is primarily due to vacant positions and the aggregate result of minor variances in various business units.
  - b) Materials and Contracts are under budget by \$1,353,245. The work programmes and planned projects were impacted by the prevailing economic situation.
  - c) Utilities are under budget by \$139,679, which mainly relates to street lighting costs which is lower than projected;
  - d) Depreciation, although a non-cash cost, is tracking under budget, reporting a variance of \$359,429.
  - e) Interest and Insurance expenses are tracking below the reportable variance threshold.
  - f) Other expenditure is under budget by \$202,057. The variance is due to the timing difference of planned donations and contributions to various community groups.



## Investing Activities

### Non-operating Grants and Contributions

12. The non-operating grants and contributions are over budget by \$866,443. The variance is mainly due to the early receipt of the Grant from Department of Premier and Cabinet related to the Kalamunda Community Centre Development Project.

### Capital Expenditure

13. The total Capital Expenditure on Property, Plant and Equipment and Infrastructure Assets (excluding Capital Work in Progress) is under budget by \$7,680,545. The management have reviewed the current year's works programme and identified the projects that the City will continue works in 2020/21 as part of the carry forward process.
14. Capital works-in-progress expenditure of \$1,571,554 represents the costs expended on Forrestfield Industrial Area Scheme Stage 1 and CELL 9 Wattle Grove development. The relevant expenditure is funded by the Forrestfield Industrial Area Scheme Stage 1 reserve account and the CELL 9 trust account. These assets once constructed will be passed over to the City for management.

### Financing Activities

15. The amounts attributable to financing activities show a variance of \$3,817,300 which is mainly due to the reserve movements and developer contributions.

### Rates Revenues

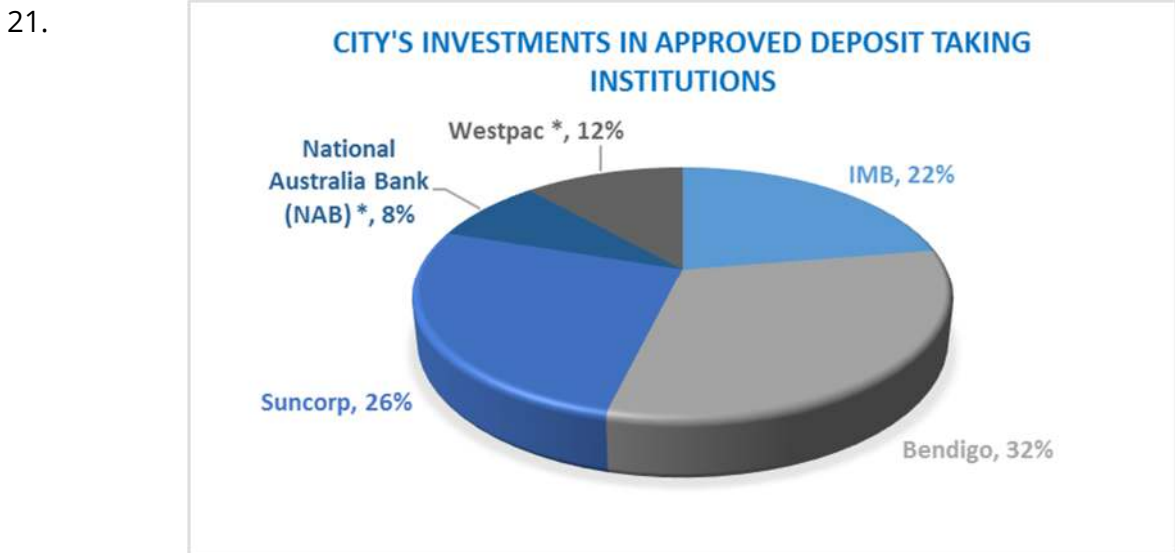
16. Rates generation is under budget with a variance of \$1,501,848. The variance is mainly due to the advance rates payment adjustment. The variance will be addressed during the end of the year financial process.

### Statement of Financial Activity by Program for the year ended 30 June 2020

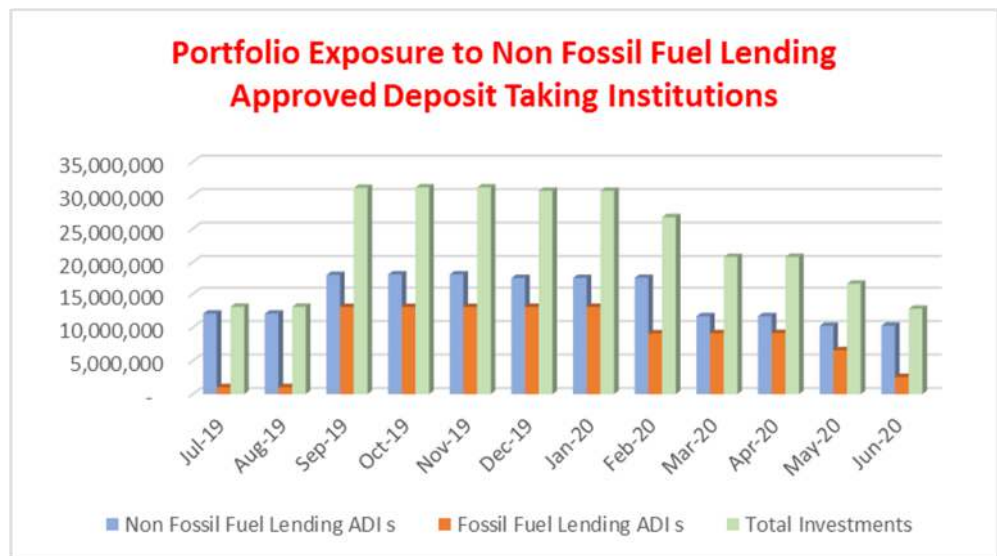
17. Generally, the net result of each Program is within the accepted budget except for 'Community Amenities', 'Recreation & Culture', and 'Other Property Services'. Major variances have been reported by Nature and Type under points 9 to 16 above.

**Statement of Net Current Funding Position as at 30 June 2020**

- 18. The commentary on the net current funding position is based on a comparison of June 2020 to the June 2019 actuals.
- 19. Net Current Assets (Current Assets less Current Liabilities) total \$20.8 million. The restricted cash position is \$14.5 million which is lower than the previous year's balance of \$17.2 million. This is mainly attributed to the releasing of funds from unexpended capital works reserve to the general funds to support the current year's capital works.
- 20. The following graph indicates the financial institutions where the City has investments as of 30 June 2020;



\*Financial Institutions with Investments in Fossil Fuel Industry



22. Trade and other receivables outstanding comprise rates and sundry debtors totalling \$2.6 million.
23. Sundry debtors have decreased from \$582,320 to \$507,683, of which \$213,925 consists of current debt due within 30 days.
24. Receivables Other represents \$1.7 million including:
- a) Emergency Service Levy receivables \$0.4 million;
  - b) Receivables sanitation \$0.5 million; and
  - c) GST receivable \$0.5 million
25. Provisions for annual and long service leave have decreased by \$75,274 to \$3.7 million when compared to the previous year. The 2019/20 end of the year leave provision adjustments are pending at the time of presenting this report.

#### **APPLICABLE LAW**

26. *The Local Government Act 1995 and the Local Government (Financial Management) Regulations 1996.*

#### **APPLICABLE POLICY**

27. Nil.

#### **STAKEHOLDER ENGAGEMENT**

##### **Internal Referrals**

28. The City's executive and management monitor and review the underlying business unit reports which form the consolidated results presented in this report.

##### **External Referrals**

29. As noted in point 26 above, the City is required to present to the Council a monthly statement of financial activity with explanations for major variances.

#### **FINANCIAL CONSIDERATIONS**

30. The City's financial position continues to be closely monitored to ensure it is operating sustainably and to allow for future capacity.

**SUSTAINABILITY**

**Social Implications**

31. Nil.

**Economic Implications**

32. Nil.

**Environmental Implications**

33. Nil.

**RISK MANAGEMENT**

34.

<b>Risk: Over-spending the budget.</b>		
<b>Consequence</b>	<b>Likelihood</b>	<b>Rating</b>
Possible	Moderate	Medium
<b>Action/Strategy</b>		
Monthly management reports are reviewed by the City and Council. Procurement compliance is centrally controlled via the Finance Department.		

35.

<b>Risk: Non-compliance with Financial Regulations</b>		
<b>Likelihood</b>	<b>Consequence</b>	<b>Rating</b>
Unlikely	Moderate	Low
<b>Action / Strategy</b>		
The financial report is scrutinised by the City to ensure that all statutory requirements are met. Internal Audit reviews to ensure compliance with Financial Regulations. External Audit confirms compliance.		

**CONCLUSION**

36. The City's Financial Statements as of 30 June 2020 demonstrate the City has managed its budget and financial resources effectively.

<b>Voting Requirements: Simple Majority</b>
---

**RECOMMENDATION**

That Council RECEIVE the Draft Monthly Statutory Financial Statements for the year ended 30 June 2020 which comprises:

- a) Statement of Financial Activity (Nature or Type);
- b) Statement of Financial Activity (Statutory Reporting Program);
- c) Net Current Funding Position, note to the financial report.

## 10.6.2. Debtors and Creditors Report for the period ended June 2020

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

Previous Items	N/A
Directorate	Corporate Services
Business Unit	Financial Services
File Reference	FI-CRS-002
Applicant	N/A
Owner	N/A
Attachments	<ol style="list-style-type: none"> <li>1. Creditor Payments for the period ended 30 June 2020 [10.6.2.1 - 33 pages]</li> <li>2. Summary of Debtors for the month of June 2020 [10.6.2.2 - 2 pages]</li> </ol>

### TYPE OF REPORT

- Advocacy When Council is advocating on behalf of the community to another level of government/body/agency
- Executive When Council is undertaking its substantive role of direction setting and oversight (eg accepting tenders, adopting plans and budgets)
- Information For Council to note
- Legislative Includes adopting Local Laws, Town Planning Schemes and Policies. When Council determines a matter that directly impacts a person's rights and interests where the principles of natural justice apply. Examples include town planning applications, building licences, other permits or licences issued under other Legislation or matters that could be subject to appeal to the State Administrative Tribunal

### STRATEGIC PLANNING ALIGNMENT

*Kalamunda Advancing Strategic Community Plan to 2027*

**Priority 4: Kalamunda Leads**

**Objective 4.1** - To provide leadership through transparent governance.

**Strategy 4.1.1** - Provide good governance.

### EXECUTIVE SUMMARY

1. The purpose of this report is to provide Council with the list of payments made from Municipal and Trust Fund Accounts in June 2020, in accordance with the requirements of the *Local Government (Financial Management) Regulations 1996* (Regulation 13).

2. The Debtors and Creditors report provides Council with payments made from Municipal and Trust accounts together with outstanding debtors for the month of June 2020.

At the time of producing this report the Creditors module in the Financial Information Management System is kept open to allow for the processing of invoices received in July relating to the financial year ended 30 June 2020. These transactions will be included in the Creditors payment listing for July 2020.

3. It is recommended that Council:
  - a) receive the list of payments made from the Municipal and Trust Fund Accounts in June 2020 in accordance with the requirements of the Local Government (Financial Management) Regulations 1996 (Regulation 13); and
  - b) receive the outstanding debtors report for the month of June 2020.

## BACKGROUND

4. Trade Debtors and Creditors are subject to strict monitoring and control procedures.

At the Special Council Meeting held on 7 April 2020 the Council adopted the City's COVID-19 Financial Hardship Policy.

Effective from 1 April 2020 the following principles are endorsed by the Council in order to provide financial assistance to the community which will have an impact on future income and debt collection.

- a) Suspend lease rental for City-owned buildings estimated impact of \$66,000.
  - b) Provide a full refund on all COVID-19 related cancelled bookings at City properties or facilities estimated impact of \$372,000.
5. In accordance with *the Local Government (Financial Management) Regulations 1996* (Regulation 13) reporting on payments made from Municipal Fund and Trust Fund must occur monthly.

## DETAILS AND ANALYSIS

### Debtors

6. Sundry debtors as of 30 June 2020 were \$507,683. This includes \$213,925 of current debts and \$391 unallocated credits (excess or overpayments).

7. Invoices over 30 days total \$230,080, debts of significance:
  - a) E.I. Dujmovic Pty Ltd, \$230,000, Developer Contribution, Invoice related to the Forrestfield Industrial Area Scheme stage 1.
8. Invoices over 60 days total \$13,389, debts of significance:
  - a) Zig Zag Gymnastics, \$8,063, Lease Fees; and
  - b) Dome Coffees Australia, \$2,567, Lease Fees.
9. Invoices over 90 days total \$50,679, debts of significance:
  - a) Satterley Property Group, \$46,191, Developer Bond; and
  - b) Hartfield Country Club, \$2,164, Lease Fees.

**Write off Debts**

10. The following debts were written off during the period ended 30 June 2020 under delegation to the CEO from the Council - LGA 7 write off debts.

In accordance with Council Delegation LGA7, temporary amendment – OCM 28/04/20, the Chief Executive Officer is delegated to exercise the powers or discharge the duties of the Council to write off debts where the relevant debt does not exceed \$5,000.

- 11.

Debtor	Fee Type	\$
Coles Express Kalamunda	Fees – Health Services 18/19 – No longer trading	73.00
Bakers Delight Forrestfield	Fees - Health Services 18/19. No longer trading	106.50
Walliston Early Learning Centre	Fees – Health Services 18/19. No longer trading	175.00
Private Citizen	Fees – Dog Poundage /rejected direct debits	222.00
Swan Valley Flower Farm	Reimbursement to City - damaged wall at market	368.60
Private Citizen	Contribution towards the removal of a verge tree in 2018. The Debtor made an application to the City to waive the debt due to financial hardship.	1,500.00
Forrestfield Sisdac	Hall Hirer - no longer hiring. The debt was lodged with Milton	3,707.95



	Graham in November 2019. Not recovered to date.	
	<b>TOTAL</b>	<b>6,153.05</b>

### Fee Waivers

12. Under Delegation to the CEO from the Council - LGA 13 Granting Concessions; the following fee waiver is granted during the period ended 30 June 2020.
13. A fee waiver is granted to the Kalamunda Community Learning Centre for hire of various City of Kalamunda venues whilst the development of the new Kalamunda Community Centre is underway. The waiver is related to the hire charges for semester 1 of 2020. The total fee waiver granted is \$8,341.

### Creditors

14. Payments totalling \$5,489,667 were made during the month of June 2020. Whilst standard payment terms are 30 days from the end of the month, with local businesses and contractors on 14-day terms, following Council's direction at the Special Council Meeting on 7 April 2020 all payments are now 14 days for the remainder of the financial year 2019/20.
15. Significant Municipal payments (GST inclusive - where applicable) made in the month were:

Supplier	Purpose	\$
Department of Fire and Emergency Services	Emergency services levy 2019/20 - 4 <sup>th</sup> quarter payment	717,924.10
Eastern Metropolitan Regional Council (EMRC)	Domestic waste charges - disposal fees	495,721.70
Australian Tax Office	PAYG payments	399,078.18
Kalamunda Electrics	Installation of new sports lighting at Morrison Oval, Upgrade of sports lighting at Scott Reserve and electrical repairs at various locations	340,655.82
Pindan Contracting Pty Ltd	Kalamunda Community Centre construction - progress claim 5	335,879.86
Cleanaway	Waste recycling and bulk bin disposal fees	313,631.60

Landgate	Triennial valuations & gross rental valuations	238,109.52
WA Local Government Superannuation Plan	Superannuation contributions	196,578.34
Beaver Tree Services	General tree services / under powerlines pruning for various locations	166,944.53
Truck Centre WA Pty Ltd	Purchase of new truck	140,802.12
West Tip Waste Control Pty Ltd	Removal and processing of building rubble, gully educting, sweepings	134,187.20
Synergy	Power charges -various locations	108,126.26
Serenitas Communities Holdings Pty Ltd	Rates and pensioner ESL claim 2019/20 – claimed for grouped housing	53,983.10
GTF Pty Ltd trading as Greencres Turf Group	Supply and install instant turf at Woodlupine Living Stream stage 2	53,913.20

These payments total \$3,695,535.53 and represent 67% of all payments for the month.

### Payroll

16. Salaries are paid in fortnightly cycles. A total of \$1,165,586.89 was paid in net salaries for the month of June 2020.
17. Details are provided in (Attachment 1) after the creditor’s payment listing.

### Trust Account Payments

18. The Trust Accounts maintained by the City of Kalamunda (City) relate to the following types:
  - a) CELL 9 Trust;
  - b) POS Trust;
  - c) NBN Tower Pickering Brook Trust

19. The following payments (GST exclusive) were made from the Trust Accounts in the month of June 2020.

CELL 9		Amount (\$)
Date	Description	
25/6/2020	McLeods Barristers & Solicitors - Acquisition of Portion of Lot 28 (no 296) Hale Road, Wattle Grove and Lot 27 (286) Hale Road, Wattle Grove	2,708.98
26/6/2020	City of Kalamunda – transfer of funds to reimburse the employment costs incurred.	7,796.00

#### APPLICABLE LAW

20. Regulation 12(1) of the *Local Government (Financial Management) Regulations 1996*.
21. Regulation 13 of the *Local Government (Financial Management) Regulations 1996*.

#### APPLICABLE POLICY

22. Debt Collection Policy S-FIN02.
23. Register of Delegations from Council to CEO.

#### STAKEHOLDER ENGAGEMENT

##### Internal Referrals

24. Various business units are engaged to resolve outstanding debtors and creditors as required.

##### External Referrals

25. Debt collection matters are referred to the City's appointed debt collection agency when required.

#### FINANCIAL CONSIDERATIONS

26. The City will continue to closely manage debtors and creditors to ensure optimal cash flow management.

**SUSTAINABILITY**

27. Nil.

**RISK MANAGEMENT**

**Debtors**

28.	<b>Risk:</b> The City is exposed to the potential risk of the debtor failing to make payments resulting in the disruption of cash flow.		
	<b>Consequence</b>	<b>Likelihood</b>	<b>Rating</b>
	Possible	Insignificant	Low
	<b>Action/Strategy</b>		
	Ensure debt collections are rigorously managed.		

**Creditors**

29.	<b>Risk:</b> Adverse credit ratings due to the City defaulting on the creditor.		
	<b>Consequence</b>	<b>Likelihood</b>	<b>Rating</b>
	Possible	Insignificant	Low
	<b>Action/Strategy</b>		
	Ensure all disputes are resolved in a timely manner.		

**CONCLUSION**

30. Creditor payments for June 2020 are within the normal trend range.

<b>Voting Requirements: Simple Majority</b>
---

**RECOMMENDATION**

That Council:

1. RECEIVE the list of payments made from the Municipal Accounts in June 2020 (Attachment 1) in accordance with the requirements of the Local Government (Financial Management) Regulations 1996 (Regulation 13).

2. RECEIVE the list of payments made from the Trust Fund Accounts in June 2020 as noted in point 18 above in accordance with the requirements of the Local Government (Financial Management) Regulations 1996 (Regulation 13).
3. RECEIVE the outstanding debtors report (Attachment 2) for the month of June 2020.

### 10.6.3. Rates Debtors Report for the period ended June 2020

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

Previous Items	N/A
Directorate	Corporate Services
Business Unit	Financial Services
File Reference	FI-DRS-004
Applicant	N/A
Owner	N/A
Attachments	1. Rates Report June 2020 [10.6.3.1 - 1 page]

#### TYPE OF REPORT

- Advocacy When Council is advocating on behalf of the community to another level of government/body/agency
- Executive When Council is undertaking its substantive role of direction setting and oversight (eg accepting tenders, adopting plans and budgets)
- Information For Council to note
- Legislative Includes adopting Local Laws, Town Planning Schemes and Policies. When Council determines a matter that directly impacts a person's rights and interests where the principles of natural justice apply. Examples include town planning applications, building licences, other permits or licences issued under other Legislation or matters that could be subject to appeal to the State Administrative Tribunal

#### STRATEGIC PLANNING ALIGNMENT

*Kalamunda Advancing Strategic Community Plan to 2027*

##### **Priority 4: Kalamunda Leads**

**Objective 4.1** - To provide leadership through transparent governance.

**Strategy 4.1.1** - Provide good governance.

**Strategy 4.1.2** - Build an effective and efficient service-based organisation.

#### EXECUTIVE SUMMARY

1. The purpose of this report is to provide Council with information on the rates collection percentage and the status of recovery actions.

2. The City of Kalamunda (City) levied rates for 2019/2020 on 1 July 2019 totalling of \$37,459,034, and as at 30 June 2020 \$36,720,511 has been collected for current and outstanding rates for the 30 June 2020 period.
3. It is recommended that Council receive the Rates Debtors Report for the month of June 2020 (Attachment 1).

**BACKGROUND**

4. Rate Notices were issued on 12 July 2019 with the following payment options available:

Options	Payment Dates			
Full Payment	16 August 2019			
Two Instalments	16 August 2019	18 December 2019		
Four Instalments	16 August 2019	17 October 2019	18 December 2019	19 February 2020

5. The City's debt collection strategy remains effective with the 2018/19 collection as at the end of June 2019 at 96.24%.

The City maintained an effective rates collection ratio above the average of all the Local Governments that participated in the Australasian LG Performance Excellence Survey (Source: Australasian LG Performance Excellence Survey, 2019).

**DETAILS AND ANALYSIS**

6. A total of 23,544 Rate Notices, which included 3,050 electronic notices via BPAY View and eRates were issued on 12 July 2019. Rates Levied and Collectable for the 2019/20 Financial Year currently total \$39,337,115. As at 30 June 2020, a total of \$36,720,511 has been collected. This represents a collection rate of 95.21% compared to 96.24% for the same period in 2018/19.
7. Additional payment options available to better assist ratepayers in paying amounts due are:
  - a) A Smarter Way to Pay – with approximately 922 ratepayers signed up. It is expected that this will further increase as debt collection processes continue.
  - b) eRates – there are a total 2,360 properties signed up for email delivery, compared to 2,116 in the previous year.

- c) BPay View – approximately 998 ratepayers have signed up for this service.
- 8. It is expected eRates registrations will increase throughout the year, as the City continues a promotional campaign to encourage ratepayers to register to receive their future rates notices electronically.
- 9. Interim Rating commenced for 2019/20 however no further Interim Rating will be undertaken until after the 1st due date for payment of the 2020/21 Rates, as at 31 May 2020 a total of \$200,526 has been raised for 2019/20 and \$5,503.00 for 2018/19.
- 10. Due to the current COVID-19 pandemic all Debt Recovery through the courts for outstanding rates has been put on hold until further notice as per the COVID-19 Financial Hardship Policy adopted by Council on 7 April 2020 (SCM 44/2020).
- 11. Call recording software has been utilised in the Rates Department since 2015, primarily for customer service purposes, as it allows calls to be reviewed for training and process improvements. For the period 01 June 2020 to 30 June 2020 there was a total of 219 incoming calls and 97 outgoing calls, equating to 17 hrs call time.

#### **APPLICABLE LAW**

- 12. The City collects its rates debts in accordance with the Local Government Act 1995 Division 6 – Rates and Service Charges under the requirements of subdivision 5 – Recovery of unpaid rates and service charges.

#### **APPLICABLE POLICY**

- 13. The City's rates collection procedures are in accordance with the Debt Collection Policy S-FIN02.  
Financial Hardship Policy adopted by Council on 7 April 2020

#### **STAKEHOLDER ENGAGEMENT**

##### **Internal Referrals**

- 14. The City's Governance Unit has been briefed on the debt collection process.

##### **External Referrals**

- 15. The higher-level debt collection actions have been undertaken by Kott Gunning.



## FINANCIAL CONSIDERATIONS

16. The early raising of rates in July allows the City's operations to commence without delays improving cashflow, in addition to earning additional interest income.

## SUSTAINABILITY

### Social Implications

17. Debt collection can have implications upon those ratepayers facing hardship and the City must ensure equity in its debt collection policy and processes.
18. The City has introduced "a smarter way to pay" to help ease the financial hardship to its customers. This has proved very effective with a growing number of ratepayers taking advantage of this option. A "Smarter Way to Pay" allows ratepayers to pay smaller amounts on a continuous basis either weekly or fortnightly, helping to reduce the financial burden.

### Economic Implications

19. Effective collection of all outstanding debtors leads to enhanced financial sustainability for the City.

### Environmental Implications

20. The increase in take up of eRates and BPay View, as a system of Rate Notice delivery, will contribute to lower carbon emissions due to a reduction in printing and postage.

## RISK MANAGEMENT

21.

<b>Risk:</b> Failure to collect outstanding rates and charges leading to cashflow issues within the current year.		
<b>Likelihood</b>	<b>Consequence</b>	<b>Rating</b>
Likely	Moderate	Medium
<b>Action/Strategy</b>		
Ensure debt collections are rigorously maintained.		

## CONCLUSION

22. The current collection rate for Rates Levied and Collectable for the current financial year is 95.21%.

<b>Voting Requirements: Simple Majority</b>
---

**RECOMMENDATION**

That Council RECEIVE the Rates Debtors Report for the Period ended 30 June 2020 (Attachment 1).

## 10.6.4. Corporate Business Plan - Quarterly Update - April to June 2020

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

Previous  
Items

Directorate Office of the CEO

Business Unit People Services

File Reference 3.009509

Applicant City of Kalamunda

Owner City of Kalamunda

Attachments 1. Quarterly Corporate Plan Report April- June 2020  
[10.6.4.1 - 44 pages]

### TYPE OF REPORT

- Advocacy When Council is advocating on behalf of the community to another level of government/body/agency
- Executive When Council is undertaking its substantive role of direction setting and oversight (eg accepting tenders, adopting plans and budgets)
- Information For Council to note
- Legislative Includes adopting Local Laws, Town Planning Schemes and Policies. When Council determines a matter that directly impacts a person's rights and interests where the principles of natural justice apply. Examples include town planning applications, building licences, other permits or licences issued under other Legislation or matters that could be subject to appeal to the State Administrative Tribunal

### STRATEGIC PLANNING ALIGNMENT

*Kalamunda Advancing Strategic Community Plan to 2027*

#### **Priority 4: Kalamunda Leads**

**Objective 4.1** - To provide leadership through transparent governance.

**Strategy 4.1.1** - Provide good governance.

### EXECUTIVE SUMMARY

1. The purpose of this report is to provide Council with the progress on the City of Kalamunda's (City) achievement against "Kalamunda Achieving: Corporate Business Plan 2019-2023" for the period April to June 2020.

2. At an aggregate level, the Corporate Business Plan is 96.4% complete as at 30 June 2020.
3. It is recommended that Council notes the quarterly report for the Corporate Business Plan for the period April to June 2020.

## **BACKGROUND**

4. Kalamunda Achieving: Corporate Business Plan 2019-2023 (CBP) was endorsed by Council on 24 June 2019. The Plan is reviewed every year.
5. The CBP outlines the major projects, including capital works and operational recurrent services for the City. It then links those projects and services to the Asset Plans, Long Term Financial Plan and Workforce Plan.
6. The CBP is a component of the City of Kalamunda's integrated planning and reporting framework.
7. The Chief Executive Officer, Directors and Managers have individual performance objectives that are directly linked to their achievement of the CBP in 2019/20.

## **DETAILS AND ANALYSIS**

8. The CBP is comprised of 4 priority areas, referred to as 'goals' in this report, being:
  1. Kalamunda Cares and Interacts
  2. Kalamunda Clean and Green
  3. Kalamunda Develops
  4. Kalamunda Leads
9. There are 76 individual actions set out within the CBP for the 2019/20 year. Progress reporting is provided as Attachment 1 to this report.
10. The report reflects the management progress report against the work schedule for each of the individual actions, as at 30 June 2020.
11. At an aggregate level, the CBP is 96.4% complete.

## **APPLICABLE LAW**

12. Section 5.56 of the *Local Government Act 1995 (WA)*.

## **APPLICABLE POLICY**

13. Nil.

## STAKEHOLDER ENGAGEMENT

14. This report reflects input from Directors and Managers throughout the City.
15. Various external stakeholders and community members have been involved in the achievement of the CBP.

## FINANCIAL CONSIDERATIONS

16. This plan is delivered within the City's approved Annual Budget and Long Term Financial Plan.

## SUSTAINABILITY

17. Nil.

## RISK MANAGEMENT

- 18.
- |  |                   |               |
|--|-------------------|---------------|
| <b>Risk:</b> The City lacks transparency in its achievement of the statutory requirements of the Corporate Business Plan leading to reputational impacts |                   |               |
| <b>Consequence</b>   | <b>Likelihood</b> | <b>Rating</b> |
| Moderate   | Unlikely          | Low           |
| <b>Action/Strategy</b>   |                   |               |
| Quarterly reports are provided to Council of progress against the CBP and are publicly available.  |                   |               |

## CONCLUSION

19. In this financial year the City has strengthened the alignment of the CBP to the achievement of management performance objectives.
20. At an aggregate level, the CBP is 96.4% complete.

<b>Voting Requirements: Simple Majority</b>
---

## RECOMMENDATION

That Council NOTE the quarterly report for the Kalamunda Achieving: Corporate Business Plan 2019-2023 for the period April to June 2020.

### 10.6.5. Application for Leave – Chief Executive Officer

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

Previous Items	N/A
Directorate	Office of CEO
Business Unit	Chief Executive Officer
File Reference	
Applicant	
Owner	
Attachments	Nil

#### TYPE OF REPORT

- Advocacy      When Council is advocating on behalf of the community to another level of government/body/agency
- Executive      When Council is undertaking its substantive role of direction setting and oversight (eg accepting tenders, adopting plans and budgets)
- Information      For Council to note
- Legislative      Includes adopting Local Laws, Town Planning Schemes and Policies. When Council determines a matter that directly impacts a person's rights and interests where the principles of natural justice apply. Examples include town planning applications, building licences, other permits or licences issued under other Legislation or matters that could be subject to appeal to the State Administrative Tribunal

#### STRATEGIC PLANNING ALIGNMENT

*Kalamunda Advancing Strategic Community Plan to 2027*

##### **Priority 4: Kalamunda Leads**

**Objective 4.1** - To provide leadership through transparent governance.

**Strategy 4.1.1** - Provide good governance.

#### EXECUTIVE SUMMARY

1. To seek the approval of Council for leave arrangements for the Chief Executive Officer.

2. Council is responsible for the approval of leave for the Chief Executive Officer.
3. It is recommended leave be approved for the Chief Executive Officer for the periods of Monday 10 August 2020 to Friday 14 August 2020 inclusive and Monday 31 August to Friday 11 September 2020 inclusive.

#### **BACKGROUND**

4. Nil.

#### **DETAILS AND ANALYSIS**

5. The Chief Executive Officer, Rhonda Hardy, wishes to be absent from the position on annual leave from Monday 10 August 2020 to Friday 14 August 2020 inclusive and Monday 31 August to Friday 11 September 2020 inclusive.
6. The Chief Executive Officer has accrued sufficient leave.

#### **APPLICABLE LAW**

7. *Local Government Act 1995 Section 5.36*

#### **APPLICABLE POLICY**

8. The City's leave policy requires all employees to apply for leave and have this leave approved.

#### **STAKEHOLDER ENGAGEMENT**

9. N/A

#### **FINANCIAL CONSIDERATIONS**

10. There are no financial implications arising from this proposal, as annual leave is paid from the annual leave provision account.

#### **SUSTAINABILITY**

11. N/A

**RISK MANAGEMENT**

12.	<b>Risk:</b> Annual leave Liabilities accrue and become a significant financial risk which will be identified by auditors.		
	<b>Consequence</b>	<b>Likelihood</b>	<b>Rating</b>
	Minor	Unlikely	Low
	<b>Action/Strategy</b>		
	Ensure leave liabilities are managed and all staff utilised their leave entitlements regularly.		

**CONCLUSION**

- 13. The leave requested is an entitlement of the CEO’s contract of employment.
- 14. The role of Acting Chief Executive Officer will be shared by the Directors as follows:
  - a) Director Development Services will be Acting CEO for the period 10 to 14 August inclusive.
  - b) Director Asset Services will be Acting CEO for the period 31 August to 4 September inclusive.
  - c) Director Corporate Services will be Acting CEO for the period 7 to 11 September inclusive.

**Voting Requirements: Simple Majority**

**RECOMMENDATION**

That Council

- 1. APPROVE the Chief Executive Officer, Rhonda Hardy, to have annual leave for the period Monday 10 August 2020 to Friday 14 August 2020 inclusive.
- 2. APPROVE the Chief Executive Officer, Rhonda Hardy, to have annual leave for the period Monday 31 August to Friday 11 September 2020 inclusive.



## 10.6.6. State and Australian Government Black Spot Program Submissions 2021-2022

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

Previous Items	OCM 139/2016; 131/2017; 251/2017; 107/2018; 137/2018; 184/2019; 300/2019
Directorate	Asset Services
Business Unit	Asset Planning
File Reference	EG-RDM-004
Applicant	N/A
Owner	N/A

Attachments	1. Black Spot Proposed Project - Lesmurdie Road part 1 [10.6.6.1 - 1 page]
	2. Black Spot Proposed Project - Lesmurdie Road part 2 [10.6.6.2 - 1 page]
	3. Black Spot Proposed Project - Lesmurdie Road part 3 [10.6.6.3 - 1 page]
	4. Black Spot Proposed Project - Railway- Elizabeth [10.6.6.4 - 1 page]
	5. Black Spot Proposed Project - Canning Road Part 1 [10.6.6.5 - 1 page]
	6. Black Spot Proposed Project - Canning Road Part 2 [10.6.6.6 - 1 page]
	7. Black Spot Proposed Project - Strelitzia Ave part 1 [10.6.6.7 - 1 page]
	8. Black Spot Proposed Project - Strelitzia Ave part 2 [10.6.6.8 - 1 page]
	9. Black Spot Proposed Project - Strelitzia Ave part 3 [10.6.6.9 - 1 page]
	10. Black Spot Proposed Project - Strelitzia Ave part 4 [10.6.6.10 - 1 page]
	11. Black Spot Proposed Project - Strelitzia Ave part 5 [10.6.6.11 - 1 page]

### TYPE OF REPORT

- Advocacy When Council is advocating on behalf of the community to another level of government/body/agency
- Executive When Council is undertaking its substantive role of direction setting and oversight (e.g. accepting tenders, adopting plans and budgets)
- Information For Council to note

- Legislative Includes adopting Local Laws, Town Planning Schemes and Policies. When Council determines a matter that directly impacts a person's rights and interests where the principles of natural justice apply. Examples include town planning applications, building licences, other permits or licences issued under other Legislation or matters that could be subject to appeal to the State Administrative Tribunal

## STRATEGIC PLANNING ALIGNMENT

*Kalamunda Advancing Strategic Community Plan to 2027*

### Priority 1: Kalamunda Cares and Interacts

**Objective 1.2** - To provide a safe and healthy environment for community to enjoy.

**Strategy - 1.2.1** Facilitate a safe community environment.

### Priority 3: Kalamunda Develops

**Objective 3.2** - To connect community to quality amenities.

**Strategy 3.2.2**- Provide and advocate for improved transport solutions and better connectivity through integrated transport planning.

## EXECUTIVE SUMMARY

1. The purpose of this report is to seek Council endorsement of submissions for funding from the 2021/2022 State and Australian Government Black Spot Program.
2. Six projects are proposed, addressing locations with a total of 78 crashes between 2015 and 2019. The total value of the projects is \$2,261,000 seeking \$2,123,000 of grant funding and the necessity of \$138,000 of municipal funding.
3. The locations and brief scopes of the projects are:
  - a) Hale Road and Strelitzia Avenue Intersection – modify right turn arrow settings and line marking;
  - b) Kalamunda Road, Gooseberry Hill Road and Hawtin Road Intersection – modify right turn arrow settings and line marking;
  - c) Lesmurdie Road, Godwin Street to Grove Road – Line marking, street lighting improvements and a new path on the north side;
  - d) Railway Road and Elizabeth Street Intersection – a new roundabout;
  - e) Canning Road, Welshpool Road East to Glenisla Road - shoulder widening and sealing, removal of some roadside hazards and line marking treatments; and

- f) Strelitzia Avenue - improve line marking, improve the school crossing location, upgrade road lighting and apply a skid resistance treatment at the approach to Hale Road.
4. It is recommended Council endorse the submission of the projects to Main Roads WA for grant funding consideration.

## BACKGROUND

5. Submissions for the 2021/2022 State and Australian Government Black Spot Programs issued by Main Roads WA (MRWA) closed on 10 July 2020. The City submitted the list of proposed projects by the closing date, advising Councillors of this with a formal Council report to follow.
6. The State Government Black Spot projects may be funded two-thirds by the Program and one-third by the applicant. The criteria for the program are as follows:
- a) for intersections, mid-block or short road sections less than three kilometres, the crash criterion is five crashes over the five years;
  - b) for road lengths greater than three kilometres, the crash criterion is the average of two crashes per kilometre over the five years;
  - c) the value of work must be between \$2,000 and \$3,000,000; and
  - d) the Benefit Cost Ratio (BCR) must be greater than 1.0.
7. The Australian Government Black Spot Program may fully fund projects that meet the following criteria:
- a) for intersections, mid-block or short road sections less than three kilometres, the crash criterion is three casualty crashes over the five years;
  - b) for road lengths greater than three kilometres, the crash criterion is average of one casualty crash per kilometre over the five years;
  - c) the value of works must be between \$2,000 and \$2,000,000; and
  - d) the Benefit Cost Ratio (BCR) must be greater than 2.0.
8. Once submitted, the Metropolitan Regional Road Group (MRRG) of Council officers will assess the nominations in conjunction with MRWA and will advise the results by December 2020. The Minister for Transport is expected to announce the approved projects by May 2021 to allow sufficient time for the City to finalise the 2021/2022 budget.

## DETAILS AND ANALYSIS

9. The key component of the submissions requires analysis of the recent five-year crash history via the systems maintained by MRWA. The crash history for the years 2015 to 2019 was released in May 2020 and investigation work then began by the City to scope and shortlist submissions.
10. Six projects have been identified from the available crash history data for the five-year reporting period 2015 to 2019. These have been submitted by the 10 July 2020 deadline.
11. Projects submitted for each funding program are ranked and allocated according to available program funds and the benefit cost ratios (BCR) provided for all projects submitted to the program. Thus, the City projects are ranked against all projects submitted by metropolitan local governments. Because of this, projects with lower BCR scores may not be allocated funding.
12. Projects must be submitted using the MRWA Crash Analysis Reporting System (CARS). This system allocates costs to different crash severities, determines the effectiveness of different treatments and calculates the benefit cost ratio and net present value of each proposal. The City is responsible for identifying the types of treatments that will have the most effect on the types of crashes and entering the cost of those treatments into the analysis.
13. Due to the short timeframe between the announcement of the funding programs and the submission deadlines, the City has not been able to prepare the submissions in enough time for the Council to review them prior to the submission deadline. The projects are summarised in the following paragraphs.
14. **Hale Road and Strelitzia Avenue Intersection**  
*Crash Summary:*  
A total of eight crashes with the predominant crash type (four crashes) being "Right-Turn/ Through" caused by vehicles heading west bound on Hale Road turning right into Strelitzia Avenue.  
*Proposed Treatment:*  
Modify the right turn arrow timing so that traffic is stopped when east-bound traffic commences. Line marking will be updated to accommodate the signal change.

This project qualifies for State Black Spot Program funding with a BCR of 3.1. If successful the estimated project cost of \$31,000 would be funded two thirds by the program, with the City contributing \$10,400.

15. **Kalamunda Road – Gooseberry Hill Road – Hawtin Road Intersection**

*Crash Summary:*

A total of 26 crashes with the predominant crash type nine crashes being “Right-Turn/ Through” caused by vehicles heading either from Hawtin Road or Gooseberry Hill Road and turning across traffic.

*Proposed Treatment:*

Modify the right turn arrow timing so that traffic is stopped when through-bound traffic commences. Line marking will be updated to accommodate the signal change.

This project qualifies for Australian Black Spot Program funding with a BCR of 9.14. If successful the estimated project cost of \$25,000 would be fully funded by the program, with the City contributing \$Nil.

16. **Lesmurdie Road, Godwin Street to Grove Road**

*Crash Summary:*

A total of eight crashes with the predominant crash type (four crashes) being rear enders. All the crashes along this section are believed to be caused primarily by speeding, influenced by the very wide road surface.

*Proposed Treatment:*

Line marking to define the road edge and lanes, street lighting improvements, and a new path on the north side (refer Attachments 1 to 3).

This project qualifies for State Black Spot Program funding with a BCR of 1.34. If successful the estimated project cost of \$165,000 would be funded two thirds by the program, with the City contributing \$55,000.

17. **Railway Road and Elizabeth Street Intersection**

*Crash Summary:*

A total of 16 crashes with all crashes being “Right-angle/Through”. This means either that through vehicles are travelling too fast, or that crossing vehicles are not judging the crossing and space correctly.

*Proposed Treatment:*

The ideal type of treatment for right turn crashes is a roundabout, which has been proposed (refer Attachment 4). Note this intersection received treatments in 2017 also arising from black spot funding, so it is evident

that the traffic island treatment was not sufficient to resolve driving behaviours in this area.

This project qualifies for Australian Black Spot Program funding with a BCR of 2.32. If successful the estimated project cost of \$740,000 would be fully funded by the program, with the City contributing \$Nil.

18. **Canning Road, Welshpool Road East to Glenisla Road**

*Crash Summary:*

A total of eight crashes with no clear predominant crash type.

*Proposed Treatment:*

Shoulder widening and sealing, removal of some roadside hazards, and a range of line marking treatments (refer Attachments 5 and 6).

Canning Road was investigated and analysed in four sections initially, to determine if the crash types were conducive to different treatments. This resulted in two sections being combined as one submission that qualifies for the Australian Black Spot Program.

The shoulder widening will also assist cyclists, although it will not provide a full width cycle lane.

This project qualifies for Australian Black Spot Program funding with a BCR of 2.92. If successful the estimated project cost of \$1,080,000 would be fully funded by the program, with the City contributing \$Nil.

19. **Strelitzia Avenue**

*Crash Summary:*

A total of 12 crashes with a wide range of crash types along the road. Note this assessment includes a treatment at the Hale Road intersection, separate to the traffic signal adjustment.

*Proposed Treatment:*

Improve line marking to define traffic lanes, improve the school crossing location, upgrade road lighting, and apply a skid resistance treatment at the approach to Hale Road (refer Attachments 7 to 11).

This project qualifies for State Black Spot Program funding with a BCR of 1.68. If successful the estimated project cost of \$220,000 would be funded two thirds by the program, with the City contributing \$72,600.

20. Those projects that are endorsed and then successful through the MRRG assessment process, will be designed and delivered by the City as part of the 2021/2022 capital works program (subject to budget approval).

21. It is also worth noting the correct use of the term “Black Spot” to refer to intersections or sections of roads where accidents have occurred. Areas where traffic treatments are to be undertaken as a result of crash analysis described above can be termed “Black Spots” whereas areas where random and unconnected crashes occur which are still important to the community for resolution they are not termed “Black Spots”.

#### **APPLICABLE LAW**

22. Nil.

#### **APPLICABLE POLICY**

23. Nil.

#### **STAKEHOLDER ENGAGEMENT**

24. Residents affected by approved black spot projects will be consulted during the design and construction phases of the project.

#### **FINANCIAL CONSIDERATIONS**

25. The combined value of the six projects is \$2,261,000. If all are successful, the City will need to contribute \$138,000 in 2021/2022.
26. The City's Capital Works Program includes an annual amount of \$450,000 for Black Spot Projects, comprising \$300,000 grant funding and \$150,000 municipal funding. The estimated contribution of \$138,000 is within the target value for municipal funding within the Capital Works Program.

#### **SUSTAINABILITY**

##### **Social Implications**

27. The MRWA State Black Spot Program Development and Management Guidelines states “The State Black Spot Program is aimed at further improving road safety across Western Australia thereby reducing the significant trauma and suffering of crash victims and their loved ones.” Any form of crash induces stress and impacts on the community, and the State Black Spot Program provides a mechanism by which the City can address these issues and thereby reduce the number and severity of crashes using proven treatments.

**Economic Implications**

28. Crashes have been identified as a road user cost which impacts individuals and the general community through insurance premiums, cost of services and injuries, and loss in efficiency from the road network.

**Environmental Implications**

29. There are no direct environmental implications arising from this program.

**RISK MANAGEMENT**

30.

<b>Risk:</b> The submissions are not endorsed and the opportunity is lost for government funding contributions towards improvement of road safety in the City of Kalamunda.		
<b>Consequence</b>	<b>Likelihood</b>	<b>Rating</b>
Major	Unlikely	High
<b>Action/Strategy</b>		
Provide adequate and detailed information to support the project submissions.		

31.

<b>Risk:</b> Any one or all of the submissions are not accepted for funding through the Black Spot Programs.		
<b>Consequence</b>	<b>Likelihood</b>	<b>Rating</b>
Major	Unlikely	Medium
<b>Action/Strategy</b>		
Provide adequate and detailed information to support the project submissions. Ensure there are alternatives available and resubmit when needed.		

32.

<b>Risk:</b> Any one or all of the submissions do not achieve the crash reductions that are intended, or otherwise create unintended consequences.		
<b>Consequence</b>	<b>Likelihood</b>	<b>Rating</b>
Significant	Rare	Low
<b>Action/Strategy</b>		
The treatment selection methodology has been thoroughly tested and the process includes significant oversight and review by MRWA. Project sites are also reviewed in future years to determine the effect of the treatments.		



## CONCLUSION

33. The City has identified six locations to be submitted under the State and Australian Black Spot Program. Treatments have been identified and evaluated using the MRWA Crash Analysis Reporting System, resulting in \$2,261,000 of projects that aim to address 53 crashes that have occurred over the last five years.
34. If the state funded projects are approved by MRWA, the City will need to fund \$138,000 as part of its capital works program for 2021/2022. All projects will then be delivered within the 2021/2022 financial year.

<b>Voting Requirements: Simple Majority</b>
---

## RECOMMENDATION

That Council ENDORSE the submission of the following projects to Main Roads WA for grant funding consideration as part of the 2021/2022 State and Australian Government Black Spot Program:

- a) Hale Road and Strelitzia Avenue Intersection – modify right turn arrow settings and line marking;
- b) Kalamunda Road, Gooseberry Hill Road and Hawtin Road Intersection – modify right turn arrow settings and line marking; and
- c) Lesmurdie Road, Godwin Street to Grove Road – line marking, street lighting improvements, and a new path on the north side.
- d) Railway Road and Elizabeth Street Intersection – a new roundabout.
- e) Canning Road, Welshpool Road East to Glenisla Road - shoulder widening and sealing, removal of some roadside hazards, and line marking treatments.
- f) Strelitzia Avenue - improve line marking, improve the school crossing location, upgrade road lighting, and apply a skid resistance treatment at the approach to Hale Road.

### 10.6.7. Chief Executive Officer's Performance Review 2019-2020 and Chief Executive Officer Performance Criteria 2020-2021

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

Previous  
Items

Directorate Office of the CEO

Business Unit People Services

File Reference

Applicant

Owner

Attachments Nil

Confidential  
Attachment

1. Chief Executive Officer's Performance Review Committee Minutes 7 July 2020
2. CEO Performance Review Process 2019/2020
3. Key Performance Criteria - Chief Executive Officer - 2020-21

#### TYPE OF REPORT

- Advocacy When Council is advocating on behalf of the community to another level of government/body/agency
- Executive When Council is undertaking its substantive role of direction setting and oversight (eg accepting tenders, adopting plans and budgets)
- Information For Council to note
- Legislative Includes adopting Local Laws, Town Planning Schemes and Policies. When Council determines a matter that directly impacts a person's rights and interests where the principles of natural justice apply. Examples include town planning applications, building licences, other permits or licences issued under other Legislation or matters that could be subject to appeal to the State Administrative Tribunal

## STRATEGIC PLANNING ALIGNMENT

*Kalamunda Advancing Strategic Community Plan to 2027*

### Priority 4: Kalamunda Leads

**Objective 4.1** - To provide leadership through transparent governance.

**Strategy 4.1.1** - Provide good governance.

## EXECUTIVE SUMMARY

1. The purpose of this report is for Council to consider the recommendations of Chief Executive Officer's Performance Review (CEOPR) Committee meeting held on 7 July 2020.
2. The CEOPR Committee agreed to undertake the CEO's 2019/20 Performance Review inhouse. The Presiding Member and Manager People Services have established a review process, and this is presented as Confidential Attachment 2 for endorsement by Council.
3. The CEOPR Committee supported the inclusion of additional Criteria for the CEO Performance in 2020/2021. The revised CEO Performance Criteria 2020/21 is presented as Confidential Attachment 3 for endorsement by Council.

## BACKGROUND

4. The CEOPRC has been established to undertake the CEO Performance and Salary Reviews.
5. The 2019/2020 Reviews and establishment of Key Performance Indicator criteria for 2020/2021 commenced at the meeting on 7 July 2020.

## DETAILS AND ANALYSIS

6. Minutes of the CEOPRC are presented as Confidential Attachment 1 of this report.
7. The CEOPR Committee agreed to undertake the CEO's 2019/20 Performance Review inhouse. The Presiding Member and Manager People Services have established a review process, and this is presented as Confidential Attachment 2 for endorsement by Council.
8. The CEOPR Committee supported, with the agreement of the CEO, the inclusion of additional Criteria for the CEO Performance in 2020/2021. The revised CEO Performance Criteria 2020/21 is presented as Confidential Attachment 3 for endorsement by Council.

#### APPLICABLE LAW

9. *Local Government Act 1995* and the CEO's Employment Contract.

#### APPLICABLE POLICY

10. Council Policy – *Gov12 - Chief Executive Officer's Performance and Salary Review*.

#### STAKEHOLDER ENGAGEMENT

11. The performance review process does not require stakeholder engagement.

#### FINANCIAL CONSIDERATIONS

12. A budget allocation of \$20,000 has been included in the 2020/21 Budget.

#### SUSTAINABILITY

13. Nil

#### RISK MANAGEMENT

14.

<b>Risk:</b> The CEO Performance Review is not completed in accordance with the provision of Section 5.38 of the <i>Local Government Act 1995</i> (WA) and the CEO's Employment Contract.		
Consequence	Likelihood	Rating
<b>Action/Strategy</b>		
Process complies with the relevant Policy and Procedure.		

#### CONCLUSION

15. Whilst the desire of the CEOPRC to move to an inhouse review process is acknowledged, should the CEOPRC fail to reach unanimous consensus it will be recommended to the CEOPRC that it revert to the original external process.

<b>Voting Requirements: Simple Majority</b>
---

**RECOMMENDATION**

That Council:

1. RECEIVE the minutes of the Chief Executive Officer's Performance Review Committee held on 7 July 2020 shown as Confidential Attachment 1.
2. ENDORSE the Chief Executive Officer's Performance Review Process 2019/2020, and associated documents, shown as Confidential Attachment 2.
3. ENDORSE the Chief Executive Officer's Performance Criteria 2020/2021 shown as Confidential Attachment 3.

**11. Motions of Which Previous Notice has been Given**

**11.1. Cat Local Law**

**MOTION**

<b>Voting Requirements: Simple Majority</b>
---

That Council REQUEST the Chief Executive Officer to prepare a report, by December 2020, with details and recommendations regarding the potential to introduce local laws in relation to cat ownership and regulation within the City of Kalamunda.

Moved: **Cr Lesley Boyd**

Seconded: **Cr Mary Cannon**

Vote:

**Rationale**

1. Each community has different needs and preferences when it comes to the regulation and control of cats.
2. There has been increasing discussion within the community regarding cats and responsible cat ownership.
3. The City has significant areas of bushland with native fauna.
4. The matters which may be considered as part of the report to Council could include but are not limited to:
  - a) Protection of native wildlife
  - b) Registration and micro-chipping
  - c) Number of cats per household
  - d) Sterilisation
  - e) Wearing of collars and registration tags
5. In the context of the City's natural environment, it would be appropriate for Council to be provided information about the possible benefits of introducing cat local laws and what those local laws could entail.

11.2. Method of Election of Mayor

**MOTION**

**Voting Requirements: Absolute Majority**

That Council REQUESTS the Chief Executive Officer develop a comprehensive community consultation for consideration by Council to ascertain the community's support for

- a) the changing of the method of election of the Mayor from by the Council to by the electors.
- b) the Council of the City of Kalamunda to consist of the Mayor and 12 Councillors

Moved: **Cr Margaret Thomas**

Seconded:

Vote:

**Rationale**

Many progressive Council's such as Stirling, Joondalup, Wanneroo, Cockburn, South Perth to name but a few have been electing their Mayor through an election of all electors of the district.

This means the community is able to choose the mayor for a term of 4 years.

The City of Kalamunda has grown and evolved into a progressive local government and in 2015 when the then Shire of Kalamunda proposed to become a City, a survey was undertaken with the community being asked if they wished to elect the Mayor.

The result was an resounding result of yes ( 61%) it was desirable for the community to directly elect the Mayor.

I believe there are a number of very positive reasons to change the method of electing the Mayor, not the least of which is it would bring about 4 years of consistent leadership.

Other key benefits of a popularly elected mayoral position would be

- a) councillors would not need to focus energy on who should be elected as Mayor and this would release internal politics and brokering amongst councillors deciding who should be the Mayor.
- b) not changing the mayor every 2 years delivers the best governance and representation for our community.
- c) a popularly elected Mayor, being somewhat independent, could better focus on building a high performing council without fear or favour.

There is anecdotal evidence in other local governments that the public own it when they elect it and it made a difference to their councils.

I am also aware it is a topic currently being canvassed on social media, particularly Facebook within our community.

My motion requests we again ask our community to confirm their view about having a popularly elected Mayor.



12. Questions by Members Without Notice
13. Questions by Members of Which Due Notice has been Given
14. Urgent Business Approved by the Presiding Member or by Decision
15. Meeting Closed to the Public
16. Tabled Documents
- 16.1 Petition - Kalamunda Town Centre
17. Closure