



Ordinary Council Meeting

AGENDA

Tuesday 28 May 2024

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 May 2024 at 6.30pm.**



Nathan Ritchie
A/Chief Executive Officer
23 May 2024

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 Exits, Fire Extinguishers and Outdoor Assembly Area as displaced on the wall of the Council Chambers.

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

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

Our Vision



Connected Communities, Valuing Nature and Creating our Future Together

Core Values

Service: We demonstrate a 'can do' attitude, we listen, we understand, and we go above and beyond when we serve others.

Professionalism: We look, speak, act & do what it takes to show others we are reliable, respectful and competent.

Quality: We think clearly, plan mindfully, act decisively, measure carefully and review regularly everything we do.

Aspirational Values

Courage: We make brave decisions and take calculated risks to lead us to a bold and bright future. We show courage in our pursuit for the protection of the environment, for the well being of our people and to support the economy.

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

Innovation: We believe in a workplace where you're safe to try new things—where we can push the boundaries of the norm and learn from things that don't always go according to plan. We strive for a just and blameless culture that respects people as individuals and paves the way to genuine learning and improvement.

Our simple guiding principle will be to ensure everything we do will make the City of Kalamunda socially, environmentally and economically sustainable.

kalamunda.wa.gov.au



Webcasting Notice

Please note tonight's meeting, other than the confidential sessions, is being broadcast and recorded.

All in attendance and those addressing Council should refrain from making offensive/defamatory statements as there may be legal implications.

Council takes all care when maintaining privacy, however members of the public gallery and those addressing Council should be aware that you may be recorded.

INFORMATION FOR PUBLIC ATTENDANCE

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. To facilitate the smooth running of the meeting, silence is to be observed in the public gallery at all times.
4. All other arrangements are in general accordance with Council's Standing Orders, the Policies and decision of the City or Council.

Deputations and Public Question Time

These sessions in the Council Meeting provides an opportunity for people to ask any question of the Council or speak publicly on any matter.

Public Question Time

Public Question Time session will be conducted in accordance with the provisions of the Local Government Act and the City's Standing Orders.

Where a member of the public raises a question during Public Question Time, a response will be provided where Councillors or staff have the necessary information at hand; if not, a reply will be provided at a later time. There is a limit of one question per speaker per meeting.

Deputations

All speakers are limited to ten minutes, with a one-minute warning given to speakers prior to the ten-minute time period elapsing. The commencement and conclusion of time shall be advised by the Mayor/Chairperson.

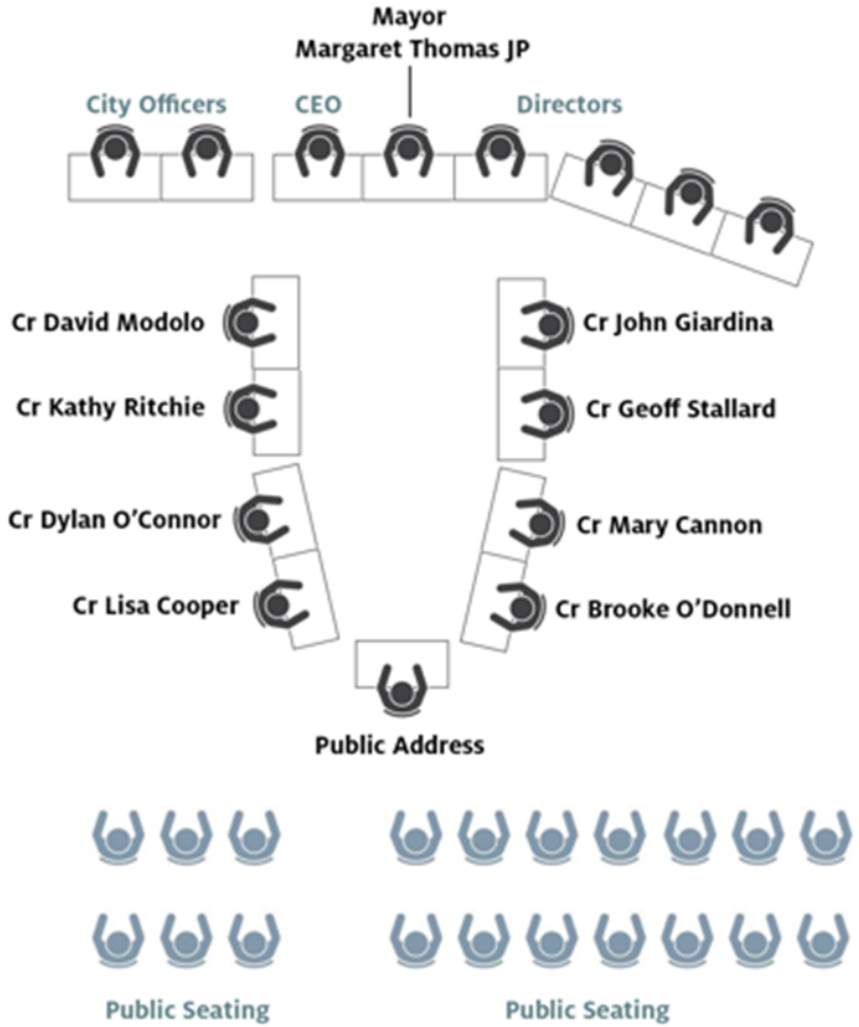
It should be noted that speakers at Council meetings do not enjoy any protection from parliamentary-style privilege. Therefore, they are subject to the risk of defamation action if they make comments about individuals.

In the event that speaker makes potentially offensive or defamatory remarks about any person, the Mayor/Chairperson will ask them to refrain from such comments.

The Mayor/Chairperson has the discretion to withdraw the privilege to speak where a speaker continues to make inappropriate or offensive comments about another person, or make a point of order ruling if a speaker breaches the Guidelines.

Only the audio recording of the public address speakers will be heard on Council's webcast. Visual images of the speaker will not be captured as part of that webcast.

Council Chambers Seating Plan



Schedule of Agenda Briefing Forums and Council Meetings - 2024

Ordinary Meetings of Council (OCM) commence at 6:30pm.
 Public Agenda Briefing Forums (Agenda Briefing) commence at 6:30pm.

Month	Date	Meeting
February 2024	13	Public Agenda Briefing
	27	Ordinary Council Meeting
March 2024	12	Public Agenda Briefing
	26	Ordinary Council Meeting
April 2024	9	Public Agenda Briefing
	23	Ordinary Council Meeting
May 2024	14	Public Agenda Briefing
	28	Ordinary Council Meeting
June 2024	11	Public Agenda Briefing
	25	Ordinary Council Meeting
July 2024	9	Public Agenda Briefing
	23	Ordinary Council Meeting
August 2024	13	Public Agenda Briefing
	27	Ordinary Council Meeting
September 2024	10	Public Agenda Briefing
	24	Ordinary Council Meeting
October 2024	8	Public Agenda Briefing
	22	Ordinary Council Meeting
November 2024	12	Public Agenda Briefing
	26	Ordinary Council Meeting
December 2024	3	Public Agenda Briefing
	10	Ordinary Council Meeting

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

3. **Public Question Time**

- 3.1. **Questions Taken on Notice at Previous Meeting**

3.1.1 Diane English, High Wycombe (Public Agenda Briefing Forum 14 May 2024)

Q1. The Department of Transport approval for Stage 1 to proceed, and in particular the DoT Conditions of approval regarding the use of Sultana Road West including the timeframe.

A document from the DoT dated 13 October 2013 is unclear about whether it gave its approval to Stage 1 before 11 November 2013. The DoT document of 13 October 2013 may have been a reply to the MRS Amendment for Stage 3 No 1282/57 which the Department of Planning advises us had been "commenced" and sent out for Pre-Referrals.

Q2. What Conditions did the Department of Transport place on the road use, specifications, and date of any upgrade for Sultana Road West given the type of industrial development that confronts residential housing on the other side of the road?

Q3. What date did DoT issue those Conditions to the City?

Q4. Has the Department of Transport been advised there is General Industry along the southern side of Sultana Road West and semi-trailer trucks based at a property at the eastern end of Sultana Road West.. If so, when.

3.1.2 Michael Ryan, High Wycombe (Public Agenda Briefing Forum 14 May 2024)

Q1. The definition of light industry used in local structure plans in WA is no noise emitted beyond the boundary. Can the Director Development Services please name each of the businesses in Stage 1 which at any time have operated in a way not consistent with the definition of light industry.

A. The City's approach is to work with landowners and business operators to achieve compliance with conditions of their planning approvals. Naming and shaming businesses would not be consistent with the City's preferred collaborative approach. The City has audited businesses in the area and there are currently high levels of compliance with planning approvals.

When issues are being raised, City Officers are promptly contacting the relevant business owners, bringing issues to their attention for action and resolution.

Detailed information regarding the City's compliance investigations are not published for privacy reasons and to ensure the compliance process is free of undue prejudice.

In accordance with the Procedures for Public Question Time, questions should not be used as a means to obtain information that would not otherwise be made available if the information was sought from the City's records under Section 5.94 of the Local Government Act 1995 (WA) or the Freedom of Information Act 1992.

Q2 Since August 2014, what monitoring systems has the City employed to collect and retain data for assessments of compliance with the definition of light industry Please list the locations of the current monitoring stations in the Minutes.

A2. This question is beyond the scope of the Council's consideration under item 10.1.2 Forresterfield High Wycombe Industrial Area: Development Contribution Plan: 2023 Annual Review – Final Adoption.

The City has carried out street level assessments for background data however, for a measurement to be a 'legal' measurement it must be taken at the 'noise sensitive receiver'. In order to accurately measure the impact of noise, measurements need to be collected in the location where the noise complaint has been made. The City routinely offers to carry out measurements at a complainant's property to determine if noise emissions are compliant or not, and this requires permission of a landowner before being installed and operated. The City's records indicate that the sound level meter has been installed on several occasions in response to complaints on Sultana Road West.

Detailed information regarding the City's compliance investigations are not published for privacy reasons and to ensure the compliance process is free of undue prejudice.

In accordance with the Procedures for Public Question Time, questions should not be used as a means to obtain information that would not otherwise be made available if the information was sought from the City's records under Section 5.94 of the Local Government Act 1995 (WA) or the Freedom of Information Act 1992.

Q3. The OCM on Tuesday 28 May 2024 will answer questions sent by Diane English about the Department of Transport approvals for Sultana Road West. The scheduled priorities listed in tonight's document has the widening of SRW to RAV 4 as priority No 5. When is this work scheduled? Is the date in this DCP Review, consistent with DoT requirements.

A3. The programming of design and delivery of Sultana Road West is subject to the funding availability. Given that Sultana Road West is identified for 50% funding from the Forrestfield High Wycombe Industrial Area: Development Contribution Plan, and 50% is required from other sources, it will be subject to the allocation of budget, grant funding or other third-party funding (eg. from development in the High Wycombe South Residential Precinct). In the context of the Development Contribution Plan's operational life concluding in May 2028, the prioritisation of the delivery of Sultana Road West is being considered within this period having regard to the City's Capital Works forward program together with grant funding and developer funding opportunities.

The Department of Transport are not an approval authority for the upgrade of Sultana Road West.

Q4 A Community Submission for the DCP for High Wycombe South sets out why landowners in High Wycombe South are not required to pay 50% of the cost for the upgrade of Sultana Road West to RAV 4 standard. Refer pages 6 and 13 of that Submission. The amount of \$1,263,137.13 should be added into the DCP for Stage 1 at this Review. Councillors received their copy on 6 May 2024.

A4. This question is beyond the scope of the Council's consideration under item 10.1.2 Forrestfield High Wycombe Industrial Area: Development Contribution Plan: 2023 Annual Review – Final Adoption. A response will be provided to submissions when the Draft Amendment 113 to Local Planning Scheme No. 3 – Residential Precinct Development Contribution Plan is presented to the Council.

3.2. 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

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 April 2024, 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 April."

7. Announcements by the Member Presiding Without Discussion

8. Matters for Which the Meeting may be Closed

- 8.1.1 Item 10.1.1 Wattle Grove Cell 9 - Infrastructure Cost Sharing Arrangement - 2023 Review - Final Adoption – **Confidential Attachment** – Legal Advice

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."

- 8.1.2 Item 10.6.2 Debtors and Creditors Reports for the month of April 2024 – **Confidential Attachments** - Creditor Payments for the Period ended 30 April 2024 - (Confidential) and Corporate Credit Card Payments 27 February 2024 to 26 March 2024 - (Confidential)

Reason for Confidentiality: Local Government Act 1995 (WA) Section 5.23 (2) (e) - "matter that if disclosed, would reveal - (i) a trade secret; (ii) information that has a commercial value to a person; or (iii) information about the business, professional, commercial or financial affairs of a person; - where the trade secret or information is held by, or is about a person other than the local government"

- 8.1.3 10.6.8 High Wycombe Community Hub: Award of Design Services Tender RFT2310

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."

8.1.4 10.6.9 Property Matter – Outcome of Due Diligence Investigation for Land Acquisition

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."

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. Wattle Grove Cell 9 - Infrastructure Cost Sharing Arrangement - 2023 Review - Final Adoption

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

Previous Items	OCM 133/2023
Directorate	Development Services
Business Unit	Strategic Planning
File Reference	PG-DEV-013
Applicant	N/A
Owner	Various
Attachments	<ol style="list-style-type: none"> 1. 2023 Cell 9 Infrastructure Cost Sharing Arrangement Annual Report [10.1.1.1 - 36 pages] 2. Schedule 11 of Local Planning Scheme No. 3 (LPS3) [10.1.1.2 - 5 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 2031

Priority 3: Kalamunda Develops

Objective 3.1 - To plan for sustainable population growth.

Strategy 3.1.1 - Plan for diverse and sustainable activity centres, housing, community facilities and industrial development to meet future growth, changing social, economic and environmental needs.

Priority 3: Kalamunda Develops

Objective 3.2 - To connect community to key centres of activity, employment and quality amenities.

Strategy 3.2.2 - Develop improvement plans for City assets such as parks, community facilities, playgrounds to meet the changing needs of the community.

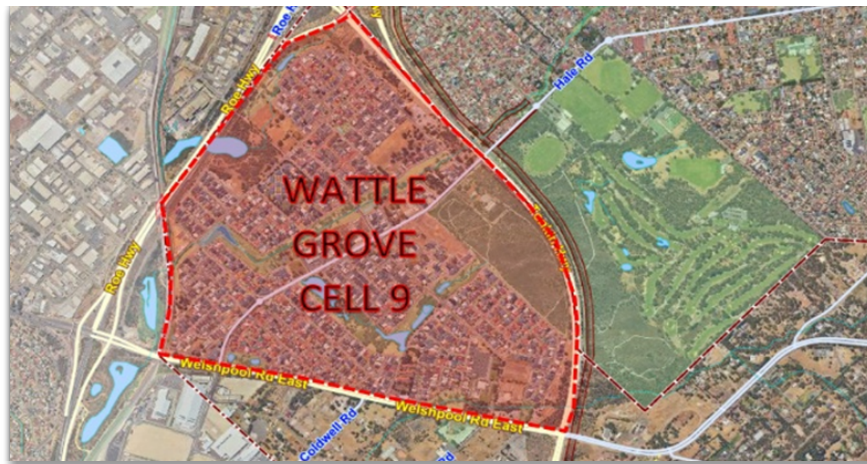
EXECUTIVE SUMMARY

1. The purpose of this report is for the Council to consider the final adoption of the 2023 Infrastructure Cost Sharing Arrangement (ICSA) Report (ICSA Report 2023) (Attachment 1) for Wattle Grove Cell 9.
2. The ICSA Report sets out detailed information to facilitate the administration and delivery of the ICSA, a cost sharing arrangement to levy cost contributions for planned infrastructure that is required by, and to be shared across, Wattle Grove Cell 9. The ICSA Report is required to be reviewed annually.
3. The ICSA Report 2023 was advertised for a period of 30 days, commencing on 16 October 2023 and concluding on 15 November 2023. No submissions were received.
4. It is recommended that Council adopt the ICSA Report 2023 for Wattle Grove Cell 9 and the cost contribution rate of \$22,246 per lot.

BACKGROUND

5. **Wattle Grove Cell 9 Outline Development Plan**
The ICSA applies to land contained within the Wattle Grove Cell 9 Outline Development Plan (ODP) (see Attachment 2); an area generally bounded by Tonkin Highway, Roe Highway, and Welshpool Road East, as highlighted in red on the Locality Plan below.

6. **Locality Plan:**



7. The Wattle Grove Cell 9 area operates as an ODP with administrative and ICSA provisions incorporated in Schedule 11 of Local Planning Scheme No. 3 (LPS3). ODPs pre-date the preparation of Local Structure Plans (LSP's), however operate with the same intent and in the same manner.

8. **Outline Development Plan (Attachment 1, Appendix A):**



9. **Relevant Planning History**

In 1997, the Cell 9 ODP was adopted by the Council, facilitating the urban redevelopment of the area to primarily residential land uses (at densities between R20-R40) supported by public open space, a primary school, community uses, and centralised commercial land uses.

10. As the area was historically used for rural and semi-rural land uses, redevelopment generated the provision of new infrastructure (i.e. public

open space) and upgrades to existing infrastructure (i.e. road infrastructure) that support residential land uses.

11. Due to the nature of fragmented land ownership, and the need to achieve the coordinated delivery of infrastructure, the ICSA was incorporated into Schedule 11 of LPS3 (Attachment 3), enabling cell infrastructure contributions to be levied for the subsequent delivery of infrastructure.
12. **Cell 9 Landscape Masterplan**
The Cell 9 Landscape Masterplan sets the principles and guidance for the design of Public Open Space (POS) and roads within the area. The character of POS within the subject area is predominantly linear parks that follow the waterways and environmental corridors.
13. The 2023 ICSA Review was considered at the September Ordinary Council Meeting (OCM) (OCM 133/2023) for consent to advertise. The 2023 Infrastructure Cost Sharing Arrangement (ICSA) Review was subsequently advertised for a period of 30 days closing on 15 November 2023 with no submissions received.

DETAILS AND ANALYSIS

14. **Statutory Basis**
Schedule 11 of LPS3 includes provisions enabling the statutory implementation of the ICSA.
15. **ICSA Report**
The ICSA Report further refines Schedule 11 through providing a comprehensive outline and annual status report for the ICSA. The ICSA Report does not form part of LPS3 as it is intended to be a dynamic document which maintains the currency of costs informed by annual reviews.
16. **Previous Reviews:**
Annual reviews of the ICSA Report allow the City of Kalamunda (City) to review the administration of the ICSA, status of infrastructure delivery, and have regard to infrastructure cost changes and rate of development.

17. Historical reviews of the ICSA were adopted on the following dates with the associated cost contribution rates:

DATE AMENDED	RATE
1 November 2001	\$7,100
1 November 2002	\$8,100
1 November 2003	\$10,000
1 November 2004	\$12,550
19 July 2005	\$13,550
1 March 2006	\$15,500
1 September 2006	\$19,050
1 May 2007	\$22,050
1 May 2008	\$24,650
1 November 2008	\$25,500
1 November 2009	\$25,500
1 June 2011	\$26,450
1 January 2013	\$27,335
25 March 2014	\$27,315
27 August 2015	\$27,816
22 May 2017	\$26,588
27 August 2019	\$24,187
24 November 2020	\$22,275
28 February 2023 (draft)	\$21,639
26 September 2023 (draft)	\$21,264
May 2024	\$22,246

18. **Cell Infrastructure Costs**

The ICSA facilitates the coordinated provision of various cell infrastructure costs provided by Schedule 11 of the LPS3 (Attachment 2), and further informed through the ICSA Report (Attachment 1). In summary, the ICSA facilitates the coordination of the following:

19.

Common Infrastructure Items	Status	Summary of Outstanding Works	Anticipated Delivery
a) Administration and project management costs	Ongoing	i) ICSA review and management ii) Project delivery	Ongoing until closure of ICSA.
b) Acquisition of land for public purposes.	Ongoing	i) Acquisition of land for public open space	Ongoing
c) Improvement to road infrastructure: i) Hale Road ii) Arthur Road iii) Sheffield Road	Complete	NA	NA
d) Woodlupine Brook Improvements	Ongoing	i) Earthworks. ii) Erosion and flow control measures. iii) Landscaping improvements and additions. iv) Construction of footpaths. v) Furniture. vi) Construction of fencing.	2023 - 2024
e) Developer Drainage Works	Ongoing	i) Gross pollutant traps Pipes ii) Manholes	Ongoing
f) POS Improvements* to the following POS sites: i) Yule Brook POS ii) Willow Lake POS iii) Woodlupine Brook Undeveloped Reserve	Preliminary Designs	i) Detailed Design. ii) Earthworks. iii) Landscaping improvements and additions. iv) Footpaths. v) Furniture.	2024 - 2026

**Indicates infrastructure works estimated for consideration through this review*

20. **Priority of Delivery for Outstanding Infrastructure Items**
 As noted in the above table, several infrastructure items remain outstanding, with delivery contingent upon further development of land within Cell 9, and subsequent collection of cost contributions levied at the subdivision and/or development of land.

21. Subject to the availability of funding, the following order of priority is recommended:

- a) Woodlupine Brook Improvements.
- b) Yule Brook POS Improvements and associated Land Acquisitions / Miscellaneous Land Costs.
- c) Willow Lake POS Improvements and associated Land Acquisitions / Miscellaneous Land Costs.
- d) Woodlupine Brook Undeveloped Reserve Improvements;
- e) Developer drainage works (Ongoing).
- f) Administration Cost (Ongoing).
- g) Education Department Loan (refer to part 2.6 of the ICSA Report).

22. The priority list will be updated as part of the annual cost estimate review and associated ICSA Report update.

23. **2023 Annual Review**

The below table provides a summary of the infrastructure costs and cost contribution liabilities, and key information supporting the 2023 Annual Review (as of 30 June 2023):

Current Cost Contribution rate:	\$22,275/lot created
Forecast 2023 Cost Contribution rate:	\$22,246 /lot created
Number of cost contributions discharged 2020-2023 FY	74 lots
Number of forecasted lots with contribution obligations:	296
Estimated cost of remaining Cell Infrastructure Costs	\$13,409,016
Contributions levied in 2020-2023 FY	\$1,709,534
ICSA expenditure 2020-23 FY	\$4,343,318
Balance of funds available	\$6,824,081
Interest received in 2020-23 FY	\$258,464

24. **Actions Since 2020 Annual Review**

Since the November 2020 Annual Review (OCM 229/2020) the following actions have occurred and reflected in the current review:

- a) Reduction in the Hale Road upgrade costs (-\$871,284).
- b) Estimates being prepared for the proposed use of Cell 9 ICSA funds for the following public open space (POS) improvements:
 - i. The Yule Brook POS (\$755,415);
 - ii. Willow Lake POS (\$345,101.24); and
 - iii. Woodlupine Undeveloped Reserve POS (\$78,918.40).
- c) The land acquisition rate, informed by an independent land valuation (refer Attachment 1, Appendix K), being updated from \$165/m² to \$175/m².
- d) The development, and consequential discharge of cost contributions, from 74 lots, representing \$1,709,534.
- e) A consequential recalculation of the forecast rate applied; from \$22,275 to a forecast \$22,246.

25. **Reduction in Costs to Hale Road Improvements**

Hale Road was completed in 2022. Total actual costs for Hale Road decreased significantly from what was estimated in the previous review that concluded in November 2020. The reduction in costs for Hale Road represents \$871,284.

26. The significant reduction in upgrading costs for Hale Road was due to two main factors:

- a) Reduction in Western Power costs; and
- b) Changes to the scope of upgrades that occurred at final detailed design and delivery stage.

27. Western Power undertook works prior to the commencement of road construction works, which reduced the Western Power costs significantly, compared to the works being undertaken during or post road construction, as initially expected.

28. The scope of the Hale Road upgrade project was required to be adjusted at the detailed design and delivery phase due to constraints derived from final road reservation widths and existing infrastructure. The key changes are summarised as follows:

- a) Removal of an exclusive cycle lane.
- b) Removal of a path on the North-Western end of Hale Road –
 - i. Puddy Lane to Welshpool Road East (83m); and
 - ii. From 12 Hale Road to Welshpool Road East (230m).
- c) A reduction in the pavement width at construction than originally proposed, by minimum of 2m for full length.
- d) A reduction in the road reserve width at construction than originally proposed at 23.5m, with as-constructed ranges from approximately 17.0m to 21.0m.

29. **Woodlupine Brook Improvement Cost Estimates**

Total costs for Woodlupine Brook improvements have remained relatively consistent with the previous review.

30. The design and delivery of Woodlupine Brook improvements were divided into three stages. Stages 1 and 2 were completed by 2019, therefore the remaining estimated costs provided in the ICSA relate to Stage 3.

31. Stage 3 includes areas in and surrounding the Woodlupine Brook watercourse under the care and control of the Water Corporation. It is therefore necessary for the City to obtain approval from the Water Corporation for works effecting the watercourse.

32. The City recommenced the preparation of detailed designs for Stage 3 in 2021 and liaised with the Water Corporation to ensure agreed functional outcomes of the Woodlupine Brook. The City became aware, during this engagement, that Water Corporation's design expectations had changed, which resulted in an extended design process and changes to the scope of improvements. Furthermore, the Water Corporation advised in mid-2021 that works were required to the drainage channel to remove Typha (a type of wetland vegetation) due to concerns about impacts on the hydrology and local flooding risks.

33. The above also resulted in delays to obtaining estimated costs for the purposes of completing the ICSA review in the 2021/2022 financial year.

34. Increased costs have been experienced due to significant inflation for materials and construction. There has also been additional costs added for amenity items such as park furniture and infill planting.

35. The scope of improvements to the Woodlupine Brook Stage 3 improvements have undergone the following key changes:




- a) Removal of revegetation / planting in drainage basin and sides so as not to conflict with the Water Corporation's management processes.
- b) Increased amenity improvements (e.g. park furniture and infill planting).



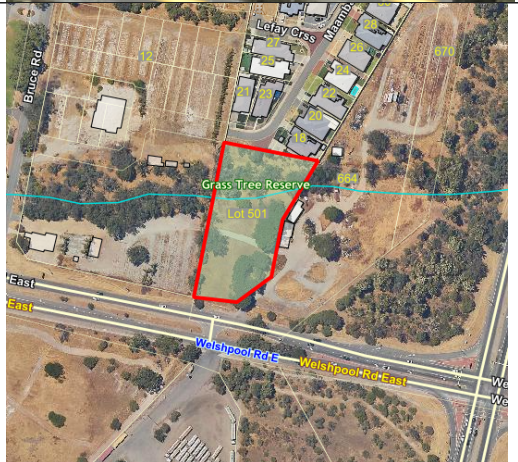

36. Stage 3 civil works (drainage) have commenced and were completed late 2023, with revegetation planned for the winter months of 2024.

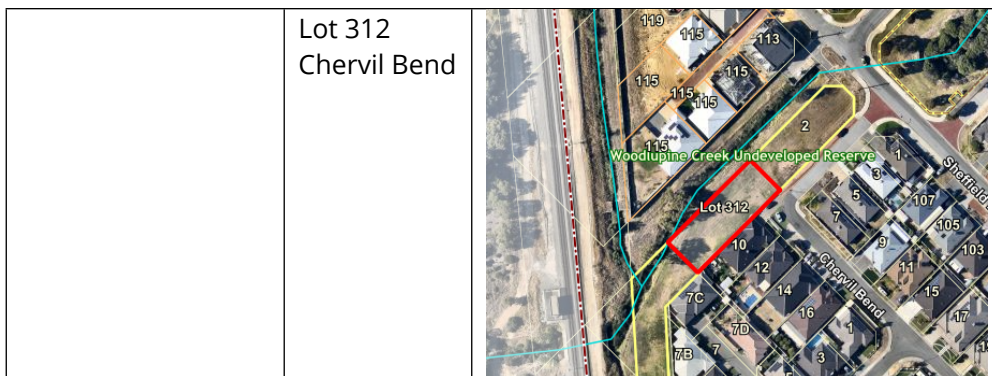
37. **Improvement Costs to Public Open Space**

While the ICSA has historically included acquisition costs for POS, improvement costs have only been identified and estimated for the Woodlupine Brook POS. This annual review is proposing to include improvements for three POS sites that are yet to be completed to an acceptable basic standard and utilise ICSA funds as originally intended.

38. The City has conducted a review of POS in the Cell 9 ODP which identified the following POS sites remain unimproved:

RESERVE NAME	LOT	AERIAL
a) Willow Lakes POS	Lot 26 St John Road (PART)	
	Reserve 50721	
b) Yule Brook POS	Reserve 47406 and Reserve 27722	

	<p>Lot 60 Bruce Road (PART)</p>	
	<p>Lot 8000 Bruce Road</p>	
	<p>Reserve 50985 Grass Tree Reserve</p>	
<p>c) Woodlupine Creek Undeveloped Reserve POS</p>	<p>Lot 919 Chervil Bend</p>	



- 39. While previous reviews of the ICSA have included acquisition costs for the remaining POS lots in the Cell 9 ODP area, associated improvement costs were not included (except for Woodlupine Brook POS).
- 40. The City proposes to utilise ICSA funds for POS infrastructure, in line with the prevailing intent established for Cell 9, towards the improvement of the following reserves:

RESERVE NAME	LOT DESCRIPTION	ESTIMATED COST
a) Woodlupine Creek Undeveloped Reserve	Lot 919 Chervil Bend	\$78,918
	Lot 312 Chervil Bend	
b) Willow Lake POS	Lot 26 (part) St John Road*	\$345,101
	Reserve No. 50721	
c) Yule Brook POS	Reserve No. 27722	\$755,415
	Reserve No. 47406	
	Lot 60 Bruce Road (part)*	
	Lot 8000 Bruce Road	
	Reserve No. 50985	
TOTAL		\$1,179,435

**Indicates POS yet to be acquired*

- 41. The standard of improvements will be in accordance with the WAPC Liveable Neighbourhoods Guidelines (2009), the City of Kalamunda’s Local Planning Policy 32 Public Open Space (POS) (LPP32) and the design principles of the Cell 9 Landscape Masterplan. In summary, the POS will be improved with:

- a) Footpaths;
- b) Pram ramps;

- c) Park benches;
- d) Hoop rails;
- e) Shelters;
- f) Revegetation; and
- g) Bins.

It is noted items such as play equipment and barbeques would need to be funded from municipal or other sources.

42. **Legal Advice and Rationale for Inclusion of POS Improvement Costs**

The City reviewed the intent of the provisions of Schedule 11 of the Scheme as they relate to POS. Legal advice confirms the ability to include the POS improvements to Yule Brook POS, Willow Lake POS and Woodlupine Undeveloped Reserve. The intent of the Cell 9 ODP and Schedule 11 of LPS3 is for improvements to be delivered to POS, as identified on the Cell 9 ODP which includes the abovementioned sites. It is both reasonable and appropriate for contributions to be allocated to the improvement of POS across the Cell 9 ODP area to the benefit of all Wattle Grove Cell 9 residents. This conclusion is supported by the advice received in Confidential Attachment 1.

43. Due to the cost of delivering Hale Road upgrades being significantly less than estimated, the inclusion of the cost of these POS improvements largely balances out and therefore does not have a negative impact on the contribution rate. The rate is considered to remain fair and within a reasonably consistent range of recent reviews.

44. **Remaining Lot Yield**

The future lot yield is expected to provide the contributions necessary to meet all of the outstanding ICSA costs.

45. Approximately 296 new lots are expected to be created, with 74 new lots created since the last annual review (November 2020 and 30 June 2023).

46. Cost contributions collected from the remaining undeveloped sites will provide the funds necessary to account for all infrastructure items and associated administration costs noted in the ICSA. Further information regarding the methodology applied to calculating the per lot rate are contained in Part 3 of the ICSA Report (Attachment 1).

47. **Land Costs Review**

The ICSA provides for the acquisition of road reserve land and POS land as identified on the ODP. All road related land acquisition has been completed and, as of 30 June 2023, approximately 2.3 hectares of POS land is identified for acquisition through the ICSA.

48. An independent land valuer assigns value to land required to be acquired for public purposes as outlined by the ICOSA and in accordance with the ODP. A valuation report prepared for the current review (Attachment 1, Appendix K) has assigned a land valuation rate of \$175/m², which represents \$4,055,800, to be utilised for determining estimated land acquisition costs for the remaining areas of POS land acquisition.
49. A twenty (20) percent contingency has been applied to the land cost, which represents \$811,160. The contingency rate was recommended by an independent land valuer due to land purchases undertaken by the City in Cell 9 that have included a 10% solatium compensation allowance and, following negotiations with landowners, have exceeded the estimated land purchase cost.
50. Miscellaneous land acquisition related works are costs that may be required through the course of detailed design work, such as compensation for improvements, servicing adjustments, and remediation work.
51. A nominal figure of \$200,000 has been applied to miscellaneous land acquisition related works, plus a 5% contingency of \$10,000. This figure will be reviewed when the City commences the remaining land acquisitions and receives a valuation from a quantity surveyor on miscellaneous land acquisition related works. This figure is consistent with the amount allocated in previous reviews.

52. **Remaining Infrastructure Works**

The table below provides a summary of any remaining common infrastructure works.

Item	Remaining Cost
Hale Road	\$0
Arthur / Wimbridge / Sheffield Projects	\$0
Woodlupine Brook Improvements	\$1,614,458
Yule Brook Stage 1	\$423,372
Yule Brook Stage 2	\$252,604
Yule Brook Stage 3	\$79,439
Willow Lake	\$345,101
Woodlupine Undeveloped Reserve	\$78,918
Developer Drainage Works	\$792,000
SUBTOTAL	\$3,585,893
Contingency	\$318,272
Education Department Loan	\$3,909,092
Land for Roads	\$0
Land for Public Open Space	\$4,055,800

Miscellaneous Land Acquisition Related Expenses	\$210,000
Land contingency	\$811,160
Administrative Items	\$518,800
Total	\$13,409,016

53. **Completed Works**

Since the last review the following works have been completed:

- a) Upgrade of Hale Road;
- b) Civil works associated with Woodlupine Brook Improvements (Stage 3).

54. **Administration Costs**

The administration costs have been reviewed to reflect the project timeframe left for the ICSA to operate. This was calculated based on the length of the arrangement to date and the amount of lots developed in that time to determine the average number of lots developed each year. The remaining lots were then divided by the average lots developed each year to calculate the estimated number of years remaining in the ICSA. Based on this equation it is estimated there are four years remaining for the Infrastructure Cost Sharing Arrangement to operate. This will be reviewed on a yearly basis.

55. The estimated cost for future administrative items is estimated at \$518,800.

56. The administration of the ICSA includes, but is not limited to, the following key tasks:

- a) Legal/Land acquisition management;
- b) ICSA annual review;
- c) Land valuation; and
- d) Planning related time and costs.

57. **Calculation Methodology**

The method for calculating contributions is as follows:

$$\begin{aligned} \text{Net outstanding costs} &= \text{remaining costs} - \text{funds held in bank} \\ \text{Remaining lot yield} &= R - \text{Code yield or Commercial zone equivalent} \end{aligned}$$

$$\text{Contribution Rate} = \frac{\text{Net outstanding costs } (\$)}{\text{Remaining lot yield}}$$

$$\text{Contribution Rate} = \frac{(\$13,409,016.46 - \$6,824,080.44)}{296} = \$22,264 \text{ per lot}$$

Remaining costs	\$13,409,016.46
Funds held in bank	\$6,824,080.44
Remaining lot yield	296 lots or lot equivalent
Contribution Rate	\$22,246

APPLICABLE LAW

- 58. *Planning & Development Act 2005*
- 59. *Planning & Development (Local Planning Schemes) Regulations 2015*
- 60. City of Kalamunda Local Planning Scheme No. 3
- 61. The ICSA contributions are administered and determined in accordance with the provisions of Schedule 11 of LPS3.

APPLICABLE POLICY

- 62. The annual review has regard for State Planning Policy 3.6 Infrastructure Contributions (SPP3.6), noting that the Wattle Grove Cell 9 ICSA pre-dates the establishment of SPP3.6 and is administered in accordance with Schedule 11 of LPS3.

STAKEHOLDER ENGAGEMENT

- 63. Following the September 2023 OCM, the draft ICSA 2023 and associated development contribution rate was advertised for a period of 30 days; commencing on 16 October 2023 and concluding on 15 November 2023.
- 64. The advertising process involved:
 - a) Writing to all landowners within Wattle Grove Cell 9 ICSA area;
 - b) Copies being made available for viewing at the City's Administration Building;
 - c) A notice on the City's website.
- 65. No submissions were received during the advertising period.

FINANCIAL CONSIDERATIONS

- 66. The operation of the ICSA presents a major administrative responsibility for the City. While the ICSA is self-funded, the City has an implicit obligation to efficiently and effectively manage the revenue and works.

SUSTAINABILITY

- 67. The provision of infrastructure in a timely, coordinated and responsible manner can impact on amenity and provision of facilities for both existing and future residents. Impacts on the quality of life need to be considered along with community expectations. This review enables the proposed infrastructure to be delivered in an efficient and financially responsible manner.
- 68. The implementation of ICSA assists in the timely, efficient, and equitable provision of infrastructure that may in turn facilitate economic growth and employment creation.
- 69. The proposed ICSA provides upgrades to Woodlupine Brook POS, Yule Brook POS, Willow Lake POS and the Woodlupine Undeveloped Reserve. Landscaping upgrades will enable the area to be utilised for more active uses by the community and to reduce erosion.

RISK MANAGEMENT

- 70.

Risk: The ICSA does not generate enough funds to undertake works.		
Consequence	Likelihood	Rating
Major	Unlikely	Medium
Action/Strategy		
Ensure annual reviews account for the cost of infrastructure and the remaining development has the capacity to cover these costs. Ensure regular reviews of funding capacity.		

- 71.

Risk: Land and infrastructure within the ICSA remain undeveloped by the end of the predicted operational period (4 years – 30 June 2027).		
Consequence	Likelihood	Rating
Major	Unlikely	High
Action/Strategy		
Ensure the rate of development is monitored annually and the duration of the ICSA is evaluated during annual reviews.		

72.

Risk: Unimproved POS identified on the Cell 9 ODP remains unfunded.		
Consequence	Likelihood	Rating
Significant	Possible	High
Action/Strategy		
Include funding for unimproved POS in the ICOSA.		

73.

Risk: Stakeholders are dissatisfied with the proposed inclusion of POS Improvements.		
Consequence	Likelihood	Rating
Significant	Possible	High
Action/Strategy		
Confirm legal and governance responsibilities for the inclusion of POS improvements via the ICOSA.		

CONCLUSION

74. In summary, the following updates have occurred since the 2020 ICOSA review:
- a) Reduction in the Hale Road upgrade costs (-\$871,284).
 - b) Estimates being prepared for the proposed use of Cell 9 ICOSA funds for the following public open space (POS) improvements:
 - iv. The Yule Brook POS (\$755,415);
 - v. Willow Lake POS (\$345,101.24); and
 - vi. Woodlupine Undeveloped Reserve POS (\$78,918.40).
 - c) The land acquisition rate, informed by an independent land valuation (refer Attachment 1, Appendix K), being updated from \$165/m² to \$175/m².
 - d) The development, and consequential discharge of cost contributions, from 74 lots, representing \$1,709,534.
 - e) A consequential recalculation of the forecast rate applied; from \$22,275 to a forecast \$22,246.
75. The proposed minor reduction in rate is a consequence of a reduction in the total costs for Hale Road, which has been partially offset by the addition of POS improvement costs to Yule Brook POS, Willow Lake POS and the Woodlupine Brook Unimproved Reserve.
76. Legal advice has confirmed the ability to include the POS improvements. The intent of the Cell 9 ODP and Schedule 11 of LPS3 is for POS improvements to be delivered.

77. The ICOSA has a positive cash flow at present, with a cash balance of \$6,824,080.44 as of 30 June 2023. There are several infrastructure projects planned as outlined in the works priorities, that will bring the cash balance down.
78. Whilst not a requirement under LPS3 to undertake public advertising of the ICOSA Report 2023, it was advertised in the interest of good governance and transparency. The proposed Cost Contribution Rate was applied immediately to ensure contributions are reflective of the latest and best estimates available.
79. It is recommended that Council adopt the revised Wattle Grove Cell 9 ICOSA Report 2023 and associated development contribution rate of \$22,246 effective immediately.

Voting Requirements: Simple Majority

RECOMMENDATION

That Council:


1. NOTE no submissions were received during public advertising.
2. ADOPT the Infrastructure Cost Sharing Arrangement Report 2023 for Cell 9 Wattle Grove (Attachment 1).
3. ADOPT the 2023 Cost Contribution Rate of \$22,264 for immediate application under the Local Planning Scheme No. 3.
4. AUTHORISE the Chief Executive Officer to:
 - a) notify relevant authorities (Department of Planning, Lands & Heritage and Department of Local Government, Sport and Cultural Industries) of the 2023 Annual Review Process; and
 - b) to publish a copy of the Wattle Grove Cell 9 Infrastructure Cost Sharing Arrangement Report 2023 on the City's website, as contained in Attachment 1.

10.1.2. Forresterfield High Wycombe Industrial Area: Development Contribution Plan: 2023 Annual Review - Final Adoption

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

Previous Items	OCM 132/2023
Directorate	Development Services
Business Unit	Strategic Planning
File Reference	
Applicant	N/A
Owner	Various
Attachments	<ol style="list-style-type: none"> 1. 2023 Development Contribution Plan Report - May 2024 [10.1.2.1 - 62 pages] 2. Submission Table [10.1.2.2 - 7 pages] 3. Forresterfield High Wycombe Industrial Area Stage 1 Local Structure Plan [10.1.2.3 - 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 2031

Priority 3: Kalamunda Develops

Objective 3.1 - To plan for sustainable population growth.

Strategy 3.1.1 - Plan for diverse and sustainable activity centres, housing, community facilities and industrial development to meet future growth, changing social, economic and environmental 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 businesses.

Strategy 3.3.2 - Attract and enable new investment opportunities.

Strategy 3.3.3 - Plan for strong activity centres and employment areas to meet the future needs of the community, industry, and commerce.

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 the Council to consider the final adoption of the 2023 Annual Review of the Development Contribution Plan Report (DCPR) (Attachment 1) for the Forrestfield High Wycombe Industrial Area Stage 1 (FFHWS1).
2. The DCPR sets out detailed information to:
 - a) facilitate the administration and delivery of the DCP;
 - b) to facilitate land use transition to industrial development;
 - c) coordinated new and upgraded infrastructure; and,
 - d) an equitable system to levy cost contributions.
3. The 2023 DCPR was advertised in October / November 2023 for a period of 30 days commencing 16 October 2023, concluding 15 November 2023. One (1) submission was received with responses provided in the submissions table (Attachment 2). The 2023 DCPR has been modified in response to the submission (Attachment 1).
4. It is recommended that Council adopt the DCPR 2023 Annual Review and the cost contribution rate be updated to \$23.16/m².

BACKGROUND

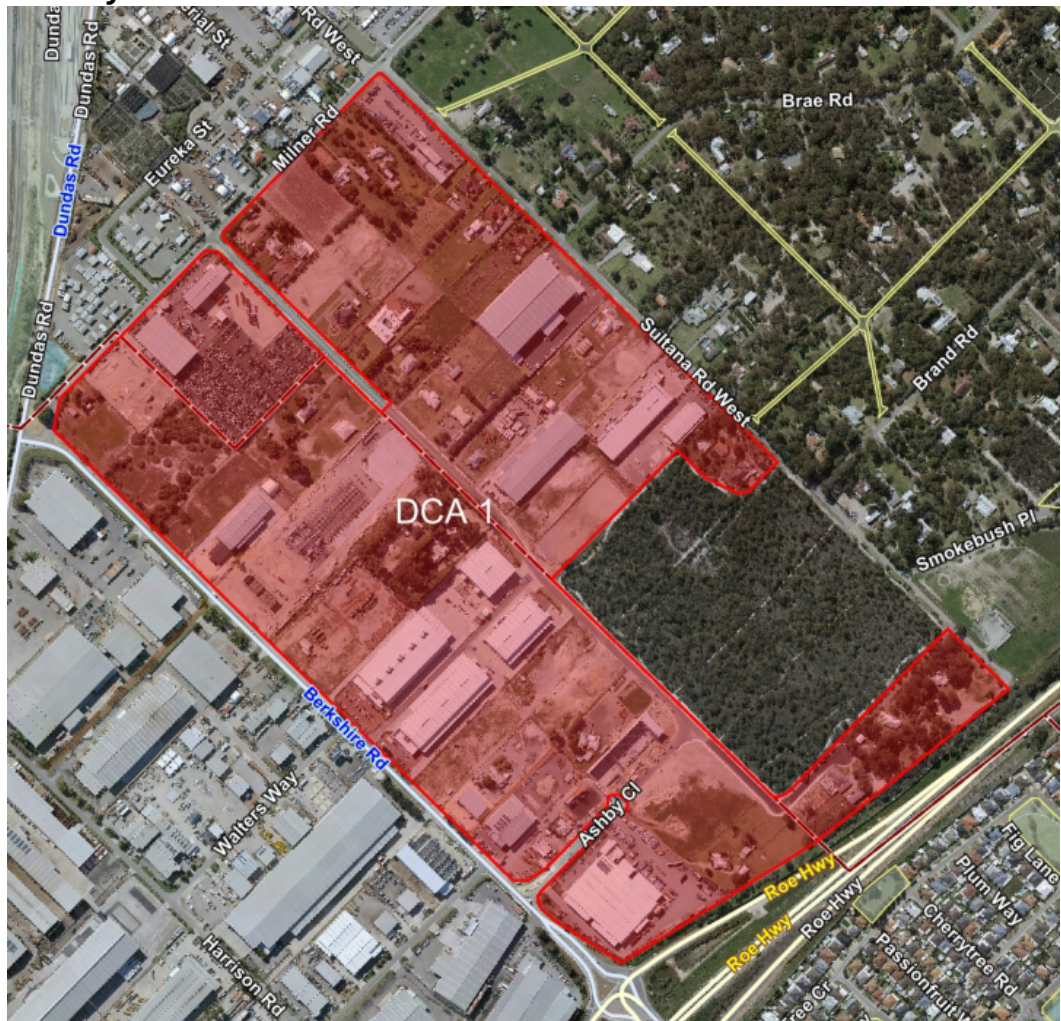
5. **Land Details:**

Land Area:	690,481m ² (Gross) 664,715.75m ² (Net)
Local Planning Scheme Zone:	Industrial Development
Metropolitan Regional Scheme Zone:	Urban
Local Structure Plan Zone:	Industry Light

6. **Location:**

The FFHWS1 is generally bounded by Milner Road, Sultana Road West, Roe Highway, and Berkshire Road, in localities of Forrestfield and High Wycombe.

7. **Locality Plan:**



8. **Relevant Planning History**

The FFHWS1 has historically been used for rural living and orcharding, however since 2012 the area has transitioned with the development of a range of light industrial development land uses, particularly logistics and transport-based industries.

9. In February 2012 the FFHWS1 was rezoned from 'Special Rural' to 'Industrial Development' through Amendment 34 to Local Planning Scheme No. 3 (LPS 3).
10. The Development Contribution Plan (DCP) was prepared to facilitate land use transition to industrial development, coordinated new and upgraded infrastructure and an equitable system to levy cost contributions. The DCP became operational in May 2013, following the gazettal of Amendment 48, which introduced the FFHWS1 DCP through Schedule 12 of LPS 3 and applied a Special Control Area – Development Contribution Area 1 – on the LPS 3 map.
11. The Forrestfield High Wycombe Industrial Area Local Structure Plan (LSP) (Attachment 3) was prepared to guide the redevelopment of the area and was endorsed by the Western Australian Planning Commission in November 2013.
12. The City of Kalamunda (City) is required to review the DCPR annually. The most recent annual review was adopted at the June 2022 Ordinary Council Meeting (OCM/74/2022).
13. The DCP was initially approved with a 10-year operational period. To enable the completion of infrastructure and the build-out of the FFHWS1 area, Amendment 110 to LPS 3 was introduced to extend the operational period by a further five years (to a total operational period of 15 years, ending in May 2028). Amendment 110 was gazetted in July 2023.
14. The 2023 DCPR was considered at the September Ordinary Council Meeting (OCM 132/2023) for consent to advertise. The 2023 DCPR was subsequently advertised for a period of 30 days. One (1) submission received with responses provided in the submissions table (Attachment 2). The 2023 DCPR has been modified in response to the submission (Attachment 1). Refer Stakeholder Assessment section for further information.

DETAILS AND ANALYSIS

15. This Report and the 2023 DCPR report utilise financial information from a snapshot in time, being 30 June 2023.
16. **Statutory Basis**
Clause 6.5 and Schedule 12 of LPS 3 provide the statutory provisions that guide the administration of the DCP and set out the following details:
- a) The area name;
 - b) Relationship to other planning instruments;
 - c) Infrastructure and administrative items to be funded through the DCP;
 - d) Method for calculating contributions;
 - e) Period of operation;
 - f) Timing and priority principles for infrastructure delivery; and
 - g) Review process and reporting obligations.
17. **Development Contribution Plan Report:**
A DCPR further refines Schedule 12 through providing a comprehensive outline and status report of the DCP. The DCPR and its appendices do not form part of the statutory framework as they are intended to be dynamic documents which maintain the status of completed and proposed infrastructure works and the currency of the costs informed by annual reviews.
18. **Common Infrastructure Items**
The DCP facilitates the coordinated provision of various common infrastructure items as outlined in Schedule 12 of LPS3, and further informed through Part 2 of the DCPR (Attachment 1). In summary, the DCP facilitates the coordination of the following:
- a) Land for roads and intersections;
 - b) Road and intersection construction;
 - c) Administration costs.

19.

Previous Reviews

Annual reviews allow the City to review the administration of the DCP, status of infrastructure delivery, and have regard to infrastructure cost changes and rate of development. Historical reviews and associated contribution rates are summarised in the following table:

Date of Adoption:	Contribution Rate:
December 2012	\$23.03/m ²
December 2013	\$28.49/m ²
June 2015	\$31.23/m ² Reduced to \$29.66/m ² to account for only 50% of the cost of Sultana Road West.
December 2016	\$29.79/m ²
December 2018	\$17.01/m ² Comprehensive view of utility cost estimates resulting in a significant reduction in cost.
February 2020	Interim rate \$23.00/m ²
July 2020	\$20.97/m ²
December 2021	\$21.66/m ²
June 2022	\$21.57/m ²
September 2023	\$23.77/m ² Adopted for public advertising & for immediate application.
May 2024	\$23.16/ m ²

20.

2023 Annual Review

The below table provides a summary of the key information informing the 2023 Annual Review (*as at 30 June 2023*).

<i>DCA1 total area of:</i>	690,481m ²
<i>DCA1 total Net Contribution Area:</i>	664,715.75m ²
<i>Current Cost Contribution rate (adopted for advertising & immediate application 2023)</i>	\$23.77/m ²
<i>Forecast Cost Contribution rate:</i>	\$23.16/m ²
<i>Total number of lots with cost contribution obligations:</i>	15
<i>Number of lots that have satisfied their cost contribution obligations:</i>	32
<i>Percentage of landowners who have contributed:</i>	68%
<i>Estimated cost of all infrastructure:</i>	\$13,990,831
<i>Estimated cost of all administration:</i>	\$1,402,701

<i>Cost contributions levied in 2022-23</i>	\$534,505
<i>Interest received in 2022-23</i>	\$31,758
<i>DCP expenditure 2022-23</i>	\$44,481
<i>Balance of funds available</i>	\$1,260,533

21. **Remaining Developable Land**

The future developable area is expected to provide the Cost Contributions necessary to account for the remaining infrastructure and administrative costs. As of 30 June 2023, 32 of the 47 lots (68%) in DCA1 had been developed, or have commenced development, and 15 lots (32%) are yet to be developed.

22. **2023 Review of Forecast Cost Estimates**

Local governments are required to review infrastructure cost estimates annually, through indexation or a full review of the cost.

23. The City commissioned a review of cost estimates following the conclusion of the 2022/2023 financial year by:

- a) An independent land valuation to inform the land costs based on the fair market value of land within DCA1 (Attachment 1, Appendix K); and
- b) An independent civil engineer to inform the development infrastructure costs for all remaining infrastructure (Attachment 1, Appendix A-F).

24. **2023 Land Costs Review**

In June 2023 an independent land valuer provided an estimated rate of \$310/m² to \$370/m² for which land should be acquired for public purposes through the DCP. The land valuation is informed by zoning designation, site characteristics and market evidence. For a detailed outline of the land costs please refer to Appendix J of Attachment 1.

25. While the assessed land value has increased in the current review from previous years, given most of the land has been acquired the change in land value has a relatively minor impact to the forecast cost contribution rate.

26. **Land Requiring Acquisition**

Land Status	Area (m²)	Cost (\$)
<i>Acquired</i>	16,167.50	\$6,579,485
<i>Future Acquisition</i>	258.06	\$85,491.80

27. **Status of Remaining Infrastructure Items (as of 30 June 2023)**

Item	Forecast Cost		Status	Summary of Changes 2023 Review
	2022	2023		
Berkshire Road Upgrade	\$122,691	\$150,570	Designs completed to 85%. Commencement of works subject to finding and priority through DCP.	Based on review of civil and construction costs.
Milner Road Upgrade	\$1,027,455	\$1,362,074	Designs completed to 85% Commencement of works subject to finding and priority through DCP.	Based on review of civil and construction costs.
Nardine Close Extension (New Road) - Stage 2	\$220,384	\$232,105	Stage 1: Completed 2019. Stage 2: Detailed designs, pending commencement of works 2024.	Based on 50% Designs.
Bonsor Road (New Road) - Stage 2	\$76,691	\$90,214	Stage 1: Completed June 2020. Stage 2: pending land acquisition.	Based on review of civil and construction costs.
SULTANA ROAD WEST UPGRADE	\$1,043,739 (50% of the total costs)	\$1,263,137 (50% of the total costs)	Designs completed to 85%.	Based on review of civil and construction costs.

(50% Contribution)			Commencement of works subject to finding and priority through DCP.	
Berkshire Road / Ashby Close – Stage 2 (Seagull)	\$28,094	\$33,713	Stage 1: Completed October 2019. Stage 2: Commencement of works subject to finding and priority through DCP.	Based on review of civil and construction costs.

28. **2022-2023 Actions**

Since the 2022 Annual Review (OCM/74/2022) the following has occurred:

- a) The acquisition of land required to formalise the Nardine Close cul-de-sac;
- b) The acquisition of land associated with the Nardine Close to Sultana Road West Emergency Access Way;
- c) The Agreement finalised with a landowner to undertake the works associated with Road 2A (Stage 2):
 - i. Nardine Close cul-de-sac; and
 - ii. The Emergency Access Way between Nardine Close and Sultana Road West.
- d) The City commissioned detailed designs for Road 2A (stage 2) to 50 per cent;
- e) The advertising of the 2023 DCP Annual Review; and
- f) Modifications to the 2023 DCP Annual Review in response to submissions.

29. **Priority of Infrastructure Works**

Subject to availability of funding, the following items yet to be completed are considered current priority items (listed in sequential order of priority):

- a) Ongoing administrative costs, including legal, accounting, planning, engineering and other professional advice required to prepare and implement the DCP.

- b) Stage 2 of Road 2A which involves constructing the Nardine Close cul-de-sac to a permanent standard and the construction of an Emergency Access Way (EAW) between Nardine Close and Sultana Road West.
- c) Stage 2 of Bonser Road which involves constructing the truncations of Bonser Road to a permanent standard. The timing of outstanding works for Bonser Road is contingent upon the subdivision and/or development of adjoining Lots 16 and 17 Bonser Road; therefore subsequent priorities, as stated below, may also be progressed in advance of completing Stage 2 of Bonser Road.
- d) Milner Road.
- e) Sultana Road West.
- f) Berkshire Road footpath and associated adjustment to services.
- g) Berkshire Road / Ashby Close Intersection treatment (seagull island).

30. With regard to Milner Road, it should be noted that the Water Corporation is planning major upgrades to sewer infrastructure and there is a need to sequence the delivery to ensure the DCP does not fund abortive road works.

31. Furthermore, while Milner Road is identified as the next major infrastructure item for delivery, there is a potential opportunity to consider a broader design and upgrade strategy in collaboration with DevelopmentWA to facilitate needed improvements for the broader Milner Road connection between Maida Vale Road and Milner Road, to support the High Wycombe South Transit Oriented Development Precinct and the High Wycombe Residential Precinct.

In this regard, the DCP contributions towards Milner Road could elevate the priority and timing of infrastructure in the broader precinct.

32. **Amendments Post Advertising**

The 2023 DCPR was modified as follows in accordance with a submission received during the advertising period:

- a) *Berkshire Road* – The quantity of overhead powerlines was reduced from three (3) to two (2). This modification represents a reduction of \$17,500 to the total infrastructure cost, reducing the cost contribution rate by \$0.026/m².
- b) *Sultana Road West* – The unit applied to footpaths has been reduced from \$70/m² to \$50/m². This modification represents a reduction of \$29,059 to the total infrastructure cost, reducing the contribution rate by \$0.04/m².
- c) *Road 2A (Stage 2)* – The 2023 DCPR (pre-advertising) modified Road 2A (Stage 2) from a forecast cost of \$220,384 to \$584,349.75. This cost escalation was a direct consequence of an amended design, previously designed gravel base with no stormwater drainage, to an asphalt outcome with stormwater drainage. Concurrent with advertising, the City commissioned re-design of Road 2A (Stage 2) with the objective of

reducing the cost through reverting back to a limestone road base with no formal stormwater drainage. The modified DCPR (post-advertising) has reduced the forecast cost for Road 2A (Stage 2) to \$232,105, representing a cost escalation of 5.32% since the last annual review. It is important to note this cost is informed by 50% Designs, currently being designed and re-costed to a 100% standard.

APPLICABLE LAW

- 33. *Planning & Development Act 2005*
- 34. *Planning & Development (Local Planning Schemes) Regulations 2015*
- 35. *City of Kalamunda Local Planning Scheme No. 3*

APPLICABLE POLICY

- 36. State Planning Policy 3.6 - Infrastructure Contributions
- 37. Local Planning Policy 24 - Development Contribution Arrangements

STAKEHOLDER ENGAGEMENT

- 38. Following the September OCM, the Draft 2023 DCPR and associated development contribution rate was advertised for a period of 30 days; commencing 16 October 2023, concluding 15 November 2023.
- 39. The advertising process involved:
 - a) Writing to all landowners within DCA1;
 - b) Writing to all adjacent landowners on the eastern side of Sultana Road West;
 - c) Copies being made available for viewing at the City's Administration Building;
 - d) A notice on the City's website.
- 40. One (1) submission was received which raised comments and objections to the 2023 DCPR. Refer to Attachment 2 for a copy of the submission received and the City's response to all matters raised.
- 41. The following summarises the key matters raised in the submission received, and the officer response.

a) Bike Path along Berkshire Road is redundant

42. Response:

Berkshire Road is a 'Distributor B' classification of road, carrying 8,300 vehicles per day (measured 2020/21), with a high volume of heavy vehicles. The road has a 70 km/hr speed limit and carries Restricted Access Vehicles (RAVs).

43. When considering the need for pedestrian paths and facilities along any road, the City considers the characteristics of the road, future pedestrian demand and safety. In this case the information supports paths being provided on both sides of Berkshire Road.

44. The DCPR, which pre-dates the City's Bicycle Plan, includes the provision of dual use paths, now called shared paths, along the roads in the precinct. Berkshire Road was identified as having one path on the northern verge, and the City is supporting that commitment by the provision of a path on the northern side of Berkshire Road. The DCP provides a minimum standard of pedestrian facility for this industrial area however does not meet the desirable level of facility, being paths on both sides of the road.

45. The DCP outcome is for a 2.0m wide concrete path, which provides sufficient space for a cyclist and a pedestrian to pass, as provided by Austroads Guide to Road Design. The path width of 2.0m is the minimum width suitable to be provided as a shared path. The DCP Report includes cost estimates of \$50,000 for this path, or \$0.07/m².

46. In 2017 the City prepared a Bicycle Plan to identify cycling routes through the City (and not just limited to the FF/HW Stage 1 Industrial Area) with aims of promoting healthy activities and active transport. This planning exercise identified a need for a strategic cycling route connecting the residential area to the east of Roe Highway, along Berkshire Road to reach the new High Wycombe Train Station.

47. As the Berkshire Road path project was further refined, it identified that the optimum location for the 3.0m wide shared path along Berkshire Road was on the southern side (noting that it logically and safely connects to Principal Shared Paths installed by Main Roads alongside the Roe Highway).

48. The City then sought, and was successful in receiving, 50% funding under the Department of Transport's WA Bike Network grant funding program. The path was approved as a shared path of 3.0m wide and is not a Principal Shared Path (which would be wider).

49. The City considers the shared path on the southern side to be an additional pedestrian facility that enhances Berkshire Road to meet contemporary objectives of pedestrian safety and active transport for the reasons set out above, as well as being designed for cycling.

b) Costs associated with the relocation of powerlines (Berkshire Road) should be removed from the DCP

50. Response:

The upgrades to Berkshire Road provide for a RAV7 vehicle network throughout the precinct. Forecast costs include the undergrounding of remaining overhead powerlines, as the existing overhead powerlines obstruct the through movement of RAV7 vehicles. Undergrounding of powerlines occur when sites are redeveloped or as part of Western Power's Targeted Underground Power Program (TUPP), whichever occurs first. Neither Western Power nor the City can require landowners to underground their power connections in the absence of the aforementioned triggers. The status of the two (2) remaining connections will be monitored with each annual review, with the DCPR updated accordingly. SPP3.6 considers the relocation of power lines a reasonable DCP infrastructure cost.

c) Incorrect number of overhead power lines

51. Response:

The 2023 DCPR noted three (3) existing overhead powerlines on Berkshire Road, however the submitter highlighted there are only two (2) existing overhead powerlines on Berkshire Road. Following receipt of the submission a site visit was undertaken confirming a stay wire crossing was inadvertently counted as a consumer aerial. The DCPR has been updated accordingly, with BOQ's updated to assume the removal of two (2) overhead powerlines, rather than the previously costed three (3). This change represents a reduction of \$17,500 to the total infrastructure cost or \$0.026/m².

d) Inconsistent material costs

52. Response:

The submitter highlighted inconsistent material costs for different roads. More specifically, \$36/m² for Sultana Road West and \$25/m² for Milner Road. Whilst the City acknowledges the cost differences, they are justified

due to the different road profiles for each of the roads. Sultana Road West has been designed for AC10 which means a 10mm aggregate size and is used for straight roads or subdivision roads, whereas Milner Road has been designed for AC14 which means a 40mm aggregate size and is used for heavier traffic roads and particularly intersections.

e) Road 2A cost escalation

53. Response:

The 2023 DCPR (pre-advertising) modified Road2A (Stage 2) from a forecast \$220,384 to \$584,349.75. This cost escalation was a direct consequence of an amended design, previously designed gravel base with no stormwater drainage, to an asphalt outcome with stormwater drainage. Concurrent with advertising, the City commissioned re-design of Road 2A (Stage 2) with the objective of reducing the cost through reverting back to a limestone road base with no formal stormwater drainage. The modified DCPR (post-advertising) has modified the forecast cost for Road 2A (Stage 2) to \$232,105. It is important to note this cost is informed by 50% Designs which are currently (at the time of writing this report) being designed and re-costed to a 100% standard.

f) Cost escalations since 2022 review are too high

54. Response:

The 2023 review of the total construction costs saw an average increase of 21% to forecast costs. This is due to the volatility in the construction industry which has seen a significant increase in demand and short supply of materials, as well an increase in both fuel and labour costs. The City is satisfied the cost escalations between the two reviews is reasonable in the current climate.

Infrastructure Item	Forecast Cost		Variation	
	2021	2023	\$	%
Berkshire Road	\$122,691	\$150,569	\$27,878	23%
Bonser Road	\$76,691	\$90,214	\$13,523	18%
Milner Road	\$1,027,455	\$1,362,074	\$334,619	33%
Sultana Road West	\$1,043,739	\$1,284,423	\$240,684	23%
Road 2A (Stage 2)	\$220,384	\$232,105	\$11,649	5%

g) Administrative Costs are too high

55. Response:

The administration cost forecast in the 2023 DCPR is informed by recent costs incurred, rather than an average of previous charges to the scheme.

56. While the administration costs throughout the lifetime of the DCP have averaged at \$85,270 per year, the charged administration costs have seen a range of \$15,736, in the 2015/2016 financial year, to \$147,522.39 in the 2020/2021 financial year. Variations to the charged administration costs are a consequence of under reported officer time and increased legal costs due to State Administrative Tribunal (SAT) Appeals, etc. The average cost is therefore not a reliable source to forecast the future administrative costs for the DCP. Forecasting costs based on the most recent costs incurred is considered more appropriate.

57. The 2023 DCPR forecast a future administrative cost of \$550,000, or \$110,000 annually, for the remaining lifetime of the DCP and this is attributed by estimated costs of:

- a) \$50,000 in planning / project management costs;
- b) \$30,000 for legal fees;
- c) \$25,000 for infrastructure reviews. This includes the annual BOQ reviews and Detailed Designs for the remaining infrastructure items; and
- d) \$5,000 for the annual land valuation required to inform the forecast land costs.

h) Wrong figures in the Bill of Quantities for Nardine Road (Stage 2)

58. Response:

There was a formatting error in the reported figures for the Nardine Road Bill of Quantities (BOQs) where the figures didn't align with the description. This was a formatting error and did not impact the calculations and sub-totals, or the overall reported figures of the DCPR. This error has been rectified in Attachment 1.

FINANCIAL CONSIDERATIONS

59. The operation of a DCP presents a major administrative responsibility for the City. While the DCP is self-funded, the City has an implicit obligation to effectively manage the revenue and works.

SUSTAINABILITY

60. **Social Implications**

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 residents/occupiers. Impacts on the quality of life need to be considered along with individuals’ expectations. This review enables the proposed infrastructure to be delivered in an efficient and financially responsible manner.

61. **Economic Implications**

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. The implementation of the DCP assists in the timely, efficient and equitable provision of infrastructure, that may in turn facilitate economic growth and employment creation.

62. **Environmental Implications**

The proposed DCP infrastructure is identified in areas where vegetation is predominately cleared. A portion of Nardine Close and Sultana Road West road reservations both abut a Bush Forever Reserve, and during the construction phase due consideration will be given to ensure impacts to this area are minimised.

RISK MANAGEMENT

63.

Risk: Not consistently undertaking an annual review and updating the contribution rate to align with current infrastructure and administrative costs.		
Consequence	Likelihood	Rating
Rare	Significant	Medium
Action/Strategy		
Ensure the Council is aware that the DCP review and the proposed revised rate is reflective of projected costs to deliver infrastructure works and land purchases. Additionally, Clause 6.5.11.2 of LPS3 requires the DCP Report be reviewed at least annually.		

64.

Risk: There is insufficient money collected in the DCP to fund infrastructure upgrades.		
Consequence	Likelihood	Rating
Possible	Major	High
Action/Strategy		
Undertake annual reviews to ensure the scope of infrastructure remains relevant and to maintain the currency of the cost of infrastructure with adequate provision for contingencies, land, and other DCP items.		

65.

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

CONCLUSION

66. The DCP has been reviewed using audited and known land and infrastructure costs and estimates based on independent consultant advice. The 2023 DCPR has been prepared and documented with the required information to ensure accountability and equity. The recommended contribution rate is a product of this information.
67. While it is not a requirement under LPS3 or SPP 3.6 to undertake public advertising of a DCP Report, the DCP Review was advertised in the interest of good governance and transparency. The Cost Contribution Rate was applied immediately post support from Council to advertise the DCP Review, to ensure contributions are reflective of the latest and best estimates available, particularly in the context of rising construction costs and elevated development activity in the precinct.
68. The 2023 DCPR has been modified in response to the submission received during public advertising. In summary the following modifications have been made to the 2023 DCPR since Councils September 2023 consideration:

- a) *Berkshire Road* – The quantity of overhead powerlines was modified from three (3) to two (2).
- b) *Road 2A (Stage 2)* – The forecast cost was reduced from \$584,349.75 (pre-advertising) to \$232,105. This cost reduction is a consequence of amended designs, asphalt outcome with stormwater drainage to a limestone road base with no stormwater drainage.
- c) *Sultana Road West* – The unit applied to footpath has been modified to be consistent with other infrastructure items.
- d) *Contribution rate* – Abovementioned modifications have a consequential impact on the contribution rate reduced from \$23.77/m² (pre-advertising) to \$23.16/m².

69. It is recommended that Council adopt the revised 2023 DCPR and associated development contribution rate of \$23.16m² effective immediately.

Voting Requirements: Simple Majority

RECOMMENDATION

That Council:

1. NOTE the one (1) submission received during public advertising and the City of Kalamunda's response (Attachment 2).
2. ADOPT the 2023 Forrestfield / High Wycombe Industrial Area Development Contribution Plan Annual Review Report (Attachment 1).
3. ADOPT the 2023 Cost Contribution Rate of \$23.16/m², for immediate application under the Local Planning Scheme No. 3.
4. NOTIFY relevant authorities (Department of Planning, Lands & Heritage and Department of Local Government, Sport and Cultural Industries) of the 2023 Annual Review Process.
5. AUTHORISE the Chief Executive Officer to publish a copy of the 2023 Forrestfield / High Wycombe Industrial Area Development Contribution Plan Annual Review Report on the City's website, as contained in Attachment 1.

10.2. Asset Services Reports

10.2.1. Ray Owen Oval Project - Update

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

Previous Items	OCM 9/2015; OCM 22/2019; OCM 223/019
Directorate	Asset Services
Business Unit	Asset Planning and Delivery
File Reference	PR-PLN-001
Applicant	N/A
Owner	N/A
Attachments	<ol style="list-style-type: none"> 1. Ray Owen Oval Project 100% design [10.2.1.1 - 7 pages] 2. Ray Owen Oval Project 100% Club [10.2.1.2 - 2 pages] 3. Ray Owen Oval Project - 100 lux [10.2.1.3 - 4 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 (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 2031

Priority 1: Kalamunda Cares and Interacts

Objective 1.1 - To be a community that advocates, facilities and provides quality lifestyles choices.

Strategy 1.1.1 -- Ensure the entire community has access to information, facilities, and services.

Strategy 1.1.2 - Empower, support and engage all of the community.

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 1.2.2 - Advocate and promote healthy lifestyle choices by encouraging the community to become more active citizens.

Priority 3: Kalamunda Develops

Objective 3.2 - To connect community to key centres of activity, employment and quality amenities.

Strategy 3.2.2 - Develop improvement plans for City assets such as parks, community facilities, playgrounds to meet the changing needs of the community.

Priority 3: Kalamunda Develops

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

EXECUTIVE SUMMARY

1. The purpose of this report is to endorse the design and funding strategy for the Ray Owen Oval upgrade (Project).
2. The Project forms a key component of the implementation of the broader Ray Owen Master Plan.
3. The design for the Project was endorsed by user groups at a meeting held on 15 April 2024.
4. The Opinion of Probable Cost (OPC) has identified the cost to deliver the Project is \$4,700,000.
5. It is recommended the Project continues to finalise design, adopt the project budget, and proceed to tender and construction in 2024.

BACKGROUND

6. The City undertook the Ray Owen Master Plan (ROMP) in 2015 to investigate and clearly identify the specific needs of the current and future community for Ray Owen.

7. The City was successful in securing a \$3,700,000 grant through the Department of Local Government, Sport and Cultural Industries (DLGSCI) towards the project.
8. The 2022/23 Budget provided funding for the appointment of the design team to finalise the design and deliver construction tender documentation. This work has progressed to the stage of being able to adopt the design and project budget.

DETAILS AND ANALYSIS

9. Design is ready for adoption to continue through to tender documentation. The design is provided in Attachments 1, 2 and 3.
10. In 2023 the City engaged SPORTENG to progress the detailed design development.
Key elements include:
 - a) Sports oval layout for Football and Cricket including on field cricket pitches.
 - b) Detailed oval specifications including soils and turf selections and construction technique.
 - c) Subgrade Drainage designs
 - d) New Cricket Wicket on larger oval and new Cricket Wicket
 - e) Oval Reticulation designs
 - f) Sports oval lighting designs
 - g) Fencing designs
 - h) A demolition decommissioning plan for existing oval infrastructure including but not limited to, existing fences, goal posts, concrete cricket wicket, primary school hard courts, existing oval surface and any other infrastructure identified during the detailed design process.
 - i) Pretender estimates and tender price schedule, provided by a Quantity Surveyor engaged by the Consultant.
11. The overarching intent of the design was for the consultant team to provide Detailed Design and Documentation packages for the Ray Owen sports field redevelopment aligning with the current concept plan such that the City can undertake construction tender. SPORTENG was responsible for directly engaging and subcontracting all engineering / consulting disciplines to deliver one total package of work.

12. The original scope allowed for installation of 100 lux lighting as identified in the Ray Owen Master Plan. During the design process the Clubs expressed a desire for 300 lux competition lighting, noting that further grant funding for the lighting upgrade could be applied for through Cricket Australia/WACA. The Clubs agreed to pay 50% of the 300 lux lighting design, which is expected to be completed at the end of April.

The three options for the lighting installation are as follows:

- a) 100 lux – design complete, estimate at \$602,625.
- b) 300 lux future proofing – design underway, estimate at \$570,612.
- c) 300 lux full installation - design underway, estimate at \$650,600.

Prices for all three lighting options will be requested in the tender documentation, and the Clubs will progress with grant applications for the 300-lux lighting. During the tender review process the actual cost of each lighting option will be assessed along with the outcomes of the grant applications. A future report will be presented for Council’s consideration on which lighting design option to proceed with.

13. The proposed construction tender budget for the Project is \$4,700,000, inclusive of design fees, external consultant fees, project management costs and contingency. This project budget allows for the original 100 lux lighting design – the gap between the additional funds identified above and any approved grant funding will need to be allocated in order for the 300-lux future proofing or full installation options to be realised.

Element	Cost
Construction	\$4,123,369
Other Costs	\$ 145,000
Contingency	\$ 426,836
Total Project Budget	\$4,695,205

14. It is anticipated that tender documentation will be complete by the end of May 2024. Site works are anticipated to commence by September 2024.
15. To ensure that this Project can commence as soon as possible (given high level of community expectations and optimum construction program), it is proposed that Council delegate authority to the Chief Executive Officer to award the construction contract as a means of starting works during the Spring of 2024. It is proposed that Council are briefed on the construction contract tender outcome prior to the Chief Executive Officer exercising this proposed delegation.

16. It is anticipated that construction (from award of contract to completion) will take approximately ten months.

APPLICABLE LAW

17. *Local Government Act 1995.*

APPLICABLE POLICY

18. Risk Management Policy C-HR06
Purchasing Policy C -PP01

STAKEHOLDER ENGAGEMENT

19. Extensive consideration has been undertaken to identify the requirements of the development for the oval upgrade and further User Group consultation. A consultation summary is as follows:
- a) Master Plan – 2015
 - b) 15% Design Consultation #1 – December 2023
 - c) 50% Design Consultation #2 – February 2024
 - d) 85% Design Consultation #3 – March 2024
 - e) 100% Final Design and Club Endorsement – April 2024
20. The DLGSCI as the grant funding body has been engaged through regular progress reporting. An additional update on the City’s current timeframes and funding strategy will be provided following the award of the contract.

FINANCIAL CONSIDERATIONS

21. The City received grant funding from the DLGSCI of \$3,700,000.
- The City proposes to allocate a further \$1,000,000 from the Asset Enhancement Reserve to fund the balance of the proposed project budget.

The project is proposed to be funded as follows:

Funding	Budget
Department of Local Government, Sport, and Cultural industries	\$3,700,000
Asset Enhancement Reserve	\$1,000,000
Total Budget	\$4,700,000

- 22. As noted above this project budget allows for the original 100 lux lighting design – the gap between the additional funds identified above and any approved grant funding will need to be allocated in order for the 300-lux future proofing or full installation options to be realised.
- 23. A future report will be presented for Council’s consideration following the completion of the Request for Tender (RFT) process. Council will be presented with the lighting option prices and outcomes of the grant applications to decide which lighting option to proceed with and confirm the funding strategy prior to proceeding with the award of the contract.

SUSTAINABILITY

- 24. **Social Implications**
Investment in Ray Owen Oval with updated sporting and recreational facilities enhances the City’s assets, provides benefits to the local community, improves community safety and enhances the user and player experiences for their training and game competitions.
- 25. **Economic Implications**
The implementation of this project will assist in providing benefit to local businesses with possible benefits of employment opportunities. It may provide increased economic activity to the Lesmurdie community during the construction phase.
- 26. **Environmental Implications**
The loss of existing vegetation is required to accommodate the oval extension, this will be offset at other sites deemed appropriate in the city. A tree clearing permit from the Department of Water and Environmental Regulation is underway.

RISK MANAGEMENT

27.	Risk: Construction Tenders exceed Budget allowance necessitating additional funding or reduction in project scope.						
	<table border="1" style="width: 100%; border-collapse: collapse;"> <thead> <tr> <th style="text-align: left; padding: 2px;">Consequence</th> <th style="text-align: left; padding: 2px;">Likelihood</th> <th style="text-align: left; padding: 2px;">Rating</th> </tr> </thead> <tbody> <tr> <td style="padding: 2px;">Significant</td> <td style="padding: 2px;">Possible</td> <td style="padding: 2px;">High</td> </tr> </tbody> </table>	Consequence	Likelihood	Rating	Significant	Possible	High
Consequence	Likelihood	Rating					
Significant	Possible	High					
	Action/Strategy						
	A thorough and recent project construction cost estimate has been completed prior to finalizing the proposed budget. There is an allowance of contingency in the budget to cater for abnormal tender outcomes.						

28. Risk: That construction delays lead to further disruption to clubs		
Consequence	Likelihood	Rating
Significant	Possible	Medium
Action/Strategy		
A thorough program will allow for a seven-month construction program (plus three months turf establishment).		

CONCLUSION

- 29. An extensive community consultation process was undertaken to develop the designs and cost estimates for the project.
- 30. The delivery of the oval will deliver much needed community infrastructure and improve playing surface and community amenity.

Voting Requirements: Absolute Majority

RECOMMENDATION

That Council:

- 1. ENDORSE the design for the Ray Owen Oval upgrade (Attachment 1) for purposes of finalising tender documents.
- 2. APPROVE project budget of \$4,700,000 (excluding GST) comprising:
 - a) Department of Local Government, Sport, and Cultural industries - \$3,700,000.
 - b) Asset Enhancement Reserve - \$1,000,000.
- 3. PROCEED to final design and call construction tenders for the Project.
- 4. NOTE that the lighting design prices and funding strategy will be presented to Council for consideration prior to proceeding with the award of the contract.
- 5. In accordance with s5.42(1) of the *Local Government Act 1995* DELEGATE to the Chief Executive Officer the authority to award the construction contract for the Project up to a value of \$4,700,000 plus GST (inclusive of contingency) SUBJECT to Council being briefed on the outcomes of the construction tender prior to award.


10.3. Corporate Services Reports

10.3.1. Corporate Business Plan - Quarterly Update - January to March 2024

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

Previous Items	
Directorate	Corporate Services
Business Unit	Director Corporate Services
File Reference	3.009509
Applicant	City of Kalamunda
Owner	City of Kalamunda
Attachments	1. Corporate Business Plan - Quarterly Progress Report January- March 2024 [10.3.1.1 - 61 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 2031

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 2023-2027" for the period January to March 2024.
2. On average, actions from the Corporate Business Plan are 72.1% complete at the end of the third quarter, 31 March 2024.
3. It is recommended that Council notes the quarterly report for the Corporate Business Plan for the period January to March 2024.

BACKGROUND

4. Kalamunda Achieving: Corporate Business Plan 2023-2027 (CBP) was endorsed by Council at the Special Council Meeting on 26 June 2023.
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 directly linked to their achievement of the CBP in 2023/24.

DETAILS AND ANALYSIS

8. The CBP is comprised of 4 Strategic Priority areas, being:
 1. Kalamunda Cares and Interacts
 2. Kalamunda Clean and Green
 3. Kalamunda Develops
 4. Kalamunda Leads
9. There are 132 individual actions set out within the CBP for the 2023/24 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 31 March 2024.

11. Most of the actions contained in the CBP are spread evenly across the year, so have a completion target at the end of the second quarter of 75%. However, some actions may start later or finish earlier in the year, so their target at 31 March might not be 75%.
12. The CBP actions are on average 72.1% complete. The average target at the end of the third quarter is 71.0%, indicating that progress, on average, is on or slightly ahead of schedule.
13. Achievement of target is measured by comparing the target completion % to the actual completion %. For example, if the target is 25%, but the action is actually 50% complete, this represents an achievement of 200%. The average achievement of target across the actions is 95.9%.

APPLICABLE LAW

14. All local governments are required, by legislation, to develop a Corporate Business Plan to fulfil the statutory obligations of section 5.56 of the *Local Government Act 1995 (WA)*, which is effectively the City's 'plan for the future'.
15. The *Local Government (Administration) Regulations 1996* provides detail as to the content of the Corporate Business Plan.

APPLICABLE POLICY

16. Nil.

STAKEHOLDER ENGAGEMENT

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

FINANCIAL CONSIDERATIONS

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

SUSTAINABILITY

20. Nil.

RISK MANAGEMENT

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

CONCLUSION

22. The City is working to carry out the actions listed in the Corporate Business Plan. On average, actions from the Corporate Business Plan are 72.1% complete at the end of the third quarter of 2023/2024.

Voting Requirements: Simple Majority

RECOMMENDATION

That Council NOTE the quarterly report for the Kalamunda Achieving: Corporate Business Plan 2023-2027 for the period January to March 2024.

10.4. Community Engagement Reports

No reports presented.

10.5. Office of the CEO Reports

10.5.1. High Wycombe Community Hub: Community Reference Group

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

Previous
Items

Directorate Office of CEO
Business Unit Strategic Projects

File Reference

Applicant
Owner

Attachments 1. HW Community Hub - Community Reference Group
- Draft Terms of Reference [**10.5.1.1** - 4 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
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STRATEGIC PLANNING ALIGNMENT

Kalamunda Advancing Strategic Community Plan to 2031

Priority 1: Kalamunda Cares and Interacts

Objective 1.1 - To be a community that advocates, facilities and provides quality lifestyles choices.

Strategy 1.1.2 - Empower, support and engage all of the community.

Priority 4: Kalamunda Leads

Objective 4.1 - To provide leadership through transparent governance.

Strategy 4.1.1 - Provide good governance.

Priority 4: Kalamunda Leads

Objective 4.2 - To proactively engage and partner for the benefit of community.

Strategy 4.2.1 - Actively engage with the community in innovative ways.

EXECUTIVE SUMMARY

1. The purpose of this report is to seek Council approval to create a Community Reference Group (Group) to support the High Wycombe Community Hub (Hub) Project.
2. The purpose of the Group would be to add value to the design considerations of the Hub through an engaged community working group.
3. It is recommended Council endorse the creation of such a Group and endorse the Terms of Reference for the Group such that the City of Kalamunda (City) can commence filling the positions within the Group.

BACKGROUND

4. The Hub project will be the largest single community facility in value that the City has undertaken. The functionality of the facility must not only meet current needs but also require flexibility to be able to adapt to future needs over the life of the Hub.
5. Engagement with key user groups alongside community members and Elected Members would assist the Design Team in meeting the objectives of a functional and flexible facility design.

DETAILS AND ANALYSIS

6. The creation of the Kalamunda Community Centre Community Reference Group during the design of the Kalamunda Community Centre in Jorgensen Park provided benefits to the City and its design team through effective local resident engagement, user groups and relevant user group engagement and Elected Member engagement. Taking this initiative to the Hub project appears a sound decision.

7. The Group would have a multi-faceted role including:
 - a) collaboration with the design team, providing local knowledge and advice to the design team;
 - b) assist the City's community engagement team in developing effective communication channels for the project; and
 - c) to champion the project through their broader networks.

8. The draft Terms of Reference are provided as Attachment 1 to this report for consideration by Council.

9. It is not intended that the Group will be the sole means of community engagement for the Hub project. Broader engagement with the community will occur during design and construction of the Hub.

10. It is not intended that the Group is created as a formalised Committee of Council and not have any delegated decision-making powers.

11. The City would advertise in the Local Press and through its digital media channels for persons or bodies to nominate for membership to the Group. It is envisaged that a 30-day nomination period would be adequate. Once nominations are received and assessed in accordance with Policy, a subsequent report to Council to appoint members will be undertaken.

APPLICABLE LAW

12. Local Government Act 1995

APPLICABLE POLICY

13. Governance 13 - Appointment of Community Members to Advisory Committees and Reference Groups
Service 5 - Communication and Engagement

STAKEHOLDER ENGAGEMENT

14. In parallel with the operation of the Group, the City will engage with the Community on a much broader front during the design and construction phases of the project.

FINANCIAL CONSIDERATIONS

15. There would be relatively minor costs involved in the working of the Group primarily in advertising to seek members and minor catering expenses during meetings. These would be met from the project budget.

SUSTAINABILITY

- 16. The Group may add value to developing sustainability initiatives during the design of the Hub.

RISK MANAGEMENT

17.	Risk: Insufficient interest from community representatives to join the Group reduces the value of the Group		
	Consequence	Likelihood	Rating
	Critical	Possible	High
	Action/Strategy		
	If this outcome transpires, Council will be asked to reconsider the need for the Group		

18.	Risk: The Group or individual members breach the requirements of confidentiality of matters discussed leading to reputational impacts		
	Consequence	Likelihood	Rating
	Moderate	Possible	Medium
	Action/Strategy		
	Group or Group members are required to abide by the required behaviours set out in the Terms of Reference or risk being removed from the Group		

CONCLUSION

- 19. The creation of a Community Reference Group for the High Wycombe Community Hub project is seen as one more tool that would be used to ensure that the City provides the best possible outcomes for the project.

Voting Requirements: Simple Majority

RECOMMENDATION

That Council:

- 1. DETERMINE to create a High Wycombe Community Hub Community Reference Group.
- 2. ENDORSE the Terms of Reference for the High Wycombe Community Hub Community Reference Group as provided in Attachment 1 to this report.

3. APPROVE actions commence to seek nominations for community members for this a High Wycombe Community Hub Community Reference Group with a subsequent report to Council to appoint members.

10.5.2. Hartfield Park Master Plan Stage 2A - Foothills Mens Shed Design Approval

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

Previous
Items

Directorate Office of CEO
Business Unit Strategic Projects

File Reference
Applicant
Owner

- Attachments
1. Foothills Mens Shed Indicative Layouts [**10.5.2.1** - 3 pages]
 2. Foothills Mens Shed Club Request - 19 March 2024 [**10.5.2.2** - 1 page]
 3. Foothills Mens Shed Meeting Minutes [**10.5.2.3** - 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 2031

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.

EXECUTIVE SUMMARY

1. The purpose of this report is to seek Council endorsement of the indicative design of the new Foothills Mens Shed noting the Pre Tender Construction Cost estimate such that construction tenders can be called.
2. This project forms part of the six projects being collectively designed & constructed within the Hartfield Park Master Plan Stage 2A (HP MP 2A) works.
3. It is recommended that Council endorse the indicative plans and that Tenders be called for construction.
4. It is to be noted that grant funding for this project is insufficient to complete the project and additional municipal funding will be needed.

BACKGROUND

5. The Hartfield Park Master Plan Stage 2 was adopted by Council in August 2021 (OCM 259/2021) which included the relocation of the Foothills Mens Shed from its facility in Anderson Road Forrestfield to Hartfield Park.
6. The need for a new Mens Shed in a relocated location was due to two primary drivers:
 - a) The existing sheds are well past their useful life and no longer fit for purpose. The sustainability of the Foothills Mens Shed is compromised due to lack of proper facilities; and
 - b) Reconstruction of new facilities at the Anderson Road Site is unable to be conducted due to the land tenure arrangements that do not facilitate these new works. Relocation to Hartfield Park is seen as the most viable alternative for the long term sustainability of the Foothills Mens Shed.
7. At the April 2023 OCM, Council endorsed a series of Stage 2 projects to commence design & construction (Stage 2A projects) based on the availability of a Federal Government Election Pledge of \$5,400,000 to augment existing grant funding arrangements in place for Hartfield Park (OCM 52/2023 refers). The six projects approved were:
 1. New AFL / Little Athletics Pavilion, associated car park and oval access;
 2. Little Athletic Long Jump Pits and Shot Put throwing circle;
 3. New Change Rooms and Store for Forrestfield United Football Club;

4. New Change Rooms and refurbishment of Rugby League Pavilion;
 5. Colocation of Tennis & Bowls Clubs and;
 6. New Foothills Mens Shed
8. Project 2 (Long Jump) has been completed. Projects 1, 3, 4 & 5 are in design phase.

DETAILS AND ANALYSIS

9. The Foothills Mens Shed (FMS) building was originally envisaged as a relatively modest metal clad building predominantly containing workshops (woodwork and metalwork), storage and attached amenities / meeting area for Club members.
10. The nature of the project lends itself to a 'design and construction' type delivery model rather than having a fully documented design and separate construction contract which has been practice for other City facilities.
11. The Design Team engaged by the City on the other Stage 2 projects have developed an appropriate performance / minimum requirements specification for this 'Design and Construct' contract. The indicative layouts for the FMS are shown as Attachment 1.
12. The Mens Shed executive has been heavily consulted on this project and have requested changes to the design (shown as mark ups to the floor plan as Attachment 2).
13. The relocation of the external sliding door requested by the Club has no cost impact to the Project.

The Mens Shed request for the amenities / kitchenette area be extended by a further 25m² and ensuing layout changes to allow for better amenity and meeting facility has been reviewed. This extra space would come at an estimated cost of \$65,000. The Mens Shed have advised that they could contribute up to \$40,000 towards this cost.
14. A copy of the minutes of the Foothills Mens Shed meeting of 2 April 2024 is provided as Attachment 3.
15. The project budget originally identified for this project was \$725,000 with funding as follows:
 - a) \$415,000 as part of the \$5.4m Commonwealth grant for HP MP2A works
 - b) \$290,000 from Lottery West
 - c) \$20,000 of Municipal funds

16. Since design has commenced, several matters have come to light which weren't considered when the original budget was set. These include:
- a) Necessary building fabric enhancements beyond a 'metal clad shed' to meet the requirements of the current National Construction Code for this class of building.
 - b) The need to 'lay-up' infrastructure such as sewer, water, power and the like wasn't fully understood when the budget was set
 - c) Significant time delay between the announcement of the \$5.4m funding grant as part of the May 2022 Federal Election Campaign and eventual grant execution in November 2023
 - d) Cost escalation during this delay period
 - e) Cost escalation forecasts from now to completion of works (February 2025)

17. The proposed budget for this project is now \$ 1.168m comprising:

Element	Cost Estimate
Pre Tender Construction Estimate	\$ 840,000
Fees & associated Costs	\$ 68,000
Design & Construction Contingency	\$ 177,000
Escalation to end February 2025	\$ 61,000
Public Art	\$ 11,000
Allowance for ESD initiatives	\$ 11,000
Total Project Costs	\$ 1,168,000

This excludes the \$65,000 variation requested by the Mens Shed. If this was included in the Project Budget, the revised total Project Cost would be \$ 1,233,000.

18. It is to be noted that contingency budget is an allowance for unforeseen needs during the works and may not be fully drawn down.
19. It is proposed that funding be allocated within the draft 2024/2025 Capital Works Budget for the full project budget of \$1,233,000. The Draft Budget will subsequently identify the means by which the funding sources will be made up.
20. It is anticipated that Construction will be tendered May – June 2024 with award of contract soon thereafter. An indicative 6 to 8-month build is being allowed.

21. A condition of the Commonwealth Grant funding is that Construction contract must be awarded before 31 December 2024. Any substantial delay in calling Construction tenders will compromise this grant funding condition.

APPLICABLE LAW

22. *Local Government Act 1995*
Local Government (Functions and General) Regulations

APPLICABLE POLICY

23. Nil

STAKEHOLDER ENGAGEMENT

24. The Foothills Mens Shed as lessee of the FMS have been consulted on this design and are in concurrence.

FINANCIAL CONSIDERATIONS

25. The draft 2024/2025 capital works budget will include consideration of further funding of \$443,000 of City funding to augment grants provided for this project and \$20,000 of City funding approved in 2023/2024.
26. It is recognised that this project is now estimated to cost above original expectations. This is symptomatic of previous cost estimations being incomplete. The Administration has discussed with Council process improvements to ensure detailed business cases are developed to reduce project risks.
27. A review of the probable budgets for the remaining HP MP 2A projects is underway.
28. Development of this project will see an uplift in the City's Buildings Assets by the Project Budget which will in turn increase the City's ongoing depreciation by approximately \$23,000 pa. Maintenance of the facility would be in the order of \$5,000 pa. This would be offset through relatively minor ongoing depreciation and maintenance savings through the demolition of the existing aged sheds currently used by the FMS (which are part of the larger Anderson Rd Community Centre facility).
29. As an indication, over the life of the facility it would be expected that life cycle costs may be incurred for Maintenance (~ \$2m) and Operational costs (~ \$2m). This would be firmed up once long-term Asset Management Plan is developed for the FMS once constructed.

SUSTAINABILITY

- 30. The Project Budget provides an allowance of \$11,000 towards sustainability and energy efficiency measures beyond what is mandatory within the National Construction Code. In parallel, subject to success of a City grant funding application from the Community Energy Upgrade Fund further sustainability measures such as Solar PV and Battery Storage may be available later.
- 22. The FMS have requested that the City design the roof drainage system to allow capture of rainwater which they will store in rainwater tanks (at their cost) for use in the garden beds and vegetation. This roof drainage initiative would be included in the base build.

RISK MANAGEMENT

31.	Risk: That construction tenders are received well beyond the Pre Tender Estimate and contingency allowance		
	Consequence	Likelihood	Rating
	Moderate	Possible	Medium
	Action/Strategy		
	The Quantity Surveyor engaged for the Stage 2A projects has prepared a robust cost plan and professional expertise in forecasting construction cost escalation in conjunction with the Building Surveyor identifying the base build needs beyond a simple shed.		

CONCLUSION

- 32. The existing facilities used by the FMS are well past service life and not fit for purpose. Relocation of the FMS to a new fit for purpose facility will allow the FMS to continue the social capital benefit of Mens Sheds as well as encourage new membership and growth. Whilst the project budget cannot be sustained within the original budget it is viewed that the additional investment by the City into the Mens Shed is warranted.

Voting Requirements: Simple Majority

RECOMMENDATION

That Council

1. ENDORSE the indicative plans for the Foothills Mens Shed as provided in Attachment 1.
2. APPROVE the requested 25 metres squared expansion of the shed SUBJECT to the agreed \$40,000 contributing.
3. NOTE the Draft 2024/25 Capital Works Budget will detail the manner in which funding for this project is proposed.

10.6. Chief Executive Officer Reports


10.6.1. Monthly Financial Statements to 30 April 2024

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 ten months ended 30 April 2024 [10.6.1.1 - 1 page]
	2. Statement of Net Current Funding Position as at 30 April 2024 [10.6.1.2 - 1 page]
	3. Statement of Financial Position as 30 April 2024 [10.6.1.3 - 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 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 2031

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 period ended 30 April 2024.
2. The Statutory Financial Statements report on the activity of the City of Kalamunda (City) with the comparison of the period's performance against the Mid-Year budget review adopted by the Council on 27 February 2024 for the 2023/2024 financial year and minor amendments subsequently to the reporting date.
3. It is recommended that Council receives the draft Monthly Statutory Financial Statements for the month of April 2024, which comprise:
 - a) Statement of Financial Activity by Nature for the period ended to 30 April 2024.
 - b) Net Current Funding Position, note to financial report as of 30 April 2024.
 - c) Statement of Financial Position for the period ended to 30 April 2024.

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. The Statement of Financial Position (Attachment 3, incorporating various sub-statements, has been prepared in accordance with the requirements of the *Local Government Act 1995 (Act)* and Regulation 35 of the *Local Government (Financial Management) Regulations 1996*.

DETAILS AND ANALYSIS

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

FINANCIAL COMMENTARY

Draft Statement of Financial Activity by Nature and Type for the ten months ended 30 April 2024

7. This Statement reveals a net result surplus of \$25,038,397 compared to the budget for the same period of \$11,698,296 resulting in a variance of \$13,340,103. This is largely due to a lower expenditure of \$2,356,425 in operating activities and lower expenditure of \$10,558,381 in investing activities (excluding depreciation costs).

Operating Revenue

8. Total Revenue including rates is under budget by \$1,275,207. This is made up as follows:
- a) Rates generation is trending along the budget with a minor variance of \$137,039 emanating from higher interim rating revenue.
 - b) Operating Grants, Subsidies and Contributions are over the budget by \$291,383. The variance is attributable to the timing of operating grants.
 - c) Fees and Charges are over budget by \$226,221. The variance is attributable to;
 - i. Waste Management Fees are higher than budget by \$60,042.
 - ii. Statutory Planning Services development fees are above budget by \$57,298.
 - iii. Hartfield Park Recreation Centre Fee & Sales are above budget by \$43,729.
 - iv. Development Engineering Fee is over budget by \$40,044.
 - d) Interest income is over budget by \$605,178. The variance is attributed to the higher interest rates available and the lower capital works expenditure which has resulted in a higher than expected cash balance. Other Revenue is above budget by \$34,878, and the variance is mainly due to Environmental Health Services compliance activities which are higher than budget by \$27,450.

Operating Expenditure

9. Total expenditure is under budget by \$783,815. The significant variances within the individual categories are as follows:
- a) Employment Costs are under budget by \$443,105 which is due to vacant positions across several business units noting that some of the variance could also be due to leave provision adjustments passed as part of year end entries.
 - b) Materials and Contracts are under budget by \$1,210,830. The variance is mainly due to the timing of building maintenance and infrastructure maintenance costs and lower waste contractor costs.

- c) Utilities are under budget by \$87,111, the major contributor to this variance is \$58,863 under spend on utilities by Parks and Reserves facilities.
- d) Depreciation, although a non-cash cost, is tracking over budget by \$2,556,542 due to increase in book value of infrastructure assets related to the recent revaluation. No adjustment was made in the budget at Mid-Year Budget Review as it is a non-cash adjustment which has no impact on the closing position.
- e) Interest expense is tracking below the reportable variance threshold whereas Insurance expenses are slightly over budget.
- f) Other expenditure is under budget by \$61,548. The variance is mainly a timing difference due to \$55,000 budgeted for Donations to Community Groups not yet spent.

Investing Activities

Non-operating Grants and Contributions

- 10. The non-operating grants and contributions is over budget by \$920,169. This is mainly due to the timing difference of receipts of grants for capital works projects and the project delivery. It is expected that there will be a significant carry over of grants in line with the lower Capital spend trajectory.

Capital Expenditure

- 11. The total Capital Expenditure on Property, Plant, Equipment, and Infrastructure Assets (excluding Capital Work in Progress) is under budget by \$9,611,623. The project delivery is expected to pick-up speed in the last quarter of the year with several R2R projects assigned to be completed in the coming months however as a whole of programme view, it should be noted that there will be an increase in carry forward requests for the Annual Budget 2024/25.

Financing Activities

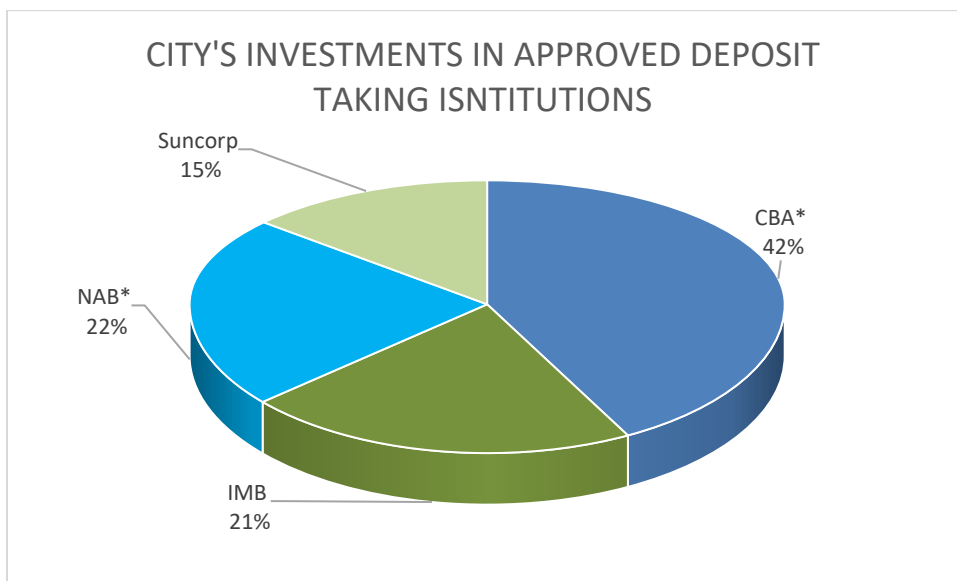
- 12. The amounts attributable to financing activities show a variance of \$425,297 which is mainly due to the developer contributions and year-end reserves and lease adjustment entries yet to be passed.

Statement of Net Current Funding Position as of 30 April 2024

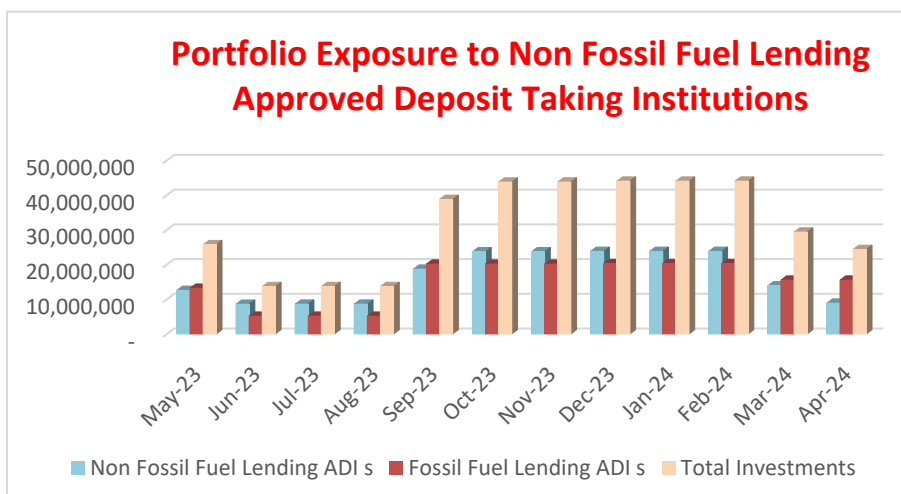
- 13. The commentary on the net current funding position is based on a comparison of April 2024 to the April 2023 actuals.

14. Net Current Assets (Current Assets less Current Liabilities) total \$45.7 million. The restricted cash position is \$25.0 million which is slightly lower than the previous year's balance of \$26.2 million.

15. The following graph indicates the financial institutions where the City has investments as of 30 April 2024. It is noted that the CBA holding is higher than current threshold of 30% allowed which is a result of maturity of deposits in other approved deposit institutions (ADI's). This is unavoidable as the maturities are not all aligned with a specific date to ensure that operational cashflows are taken into account.



*Financial Institutions with Investments in the Fossil Fuel Industry



16. Trade and other receivables outstanding comprise rates and sundry debtors totalling \$3.2 million.

17. Sundry debtors have decreased from \$691,247 to \$242,664 of which \$390,886 consist of current debt due within 30 days. Details are contained in the Debtors and Creditors Report to Council.
18. Receivables Other represent \$1.8 million including:
 - a) Emergency Service Levy receivables \$0.6 million.
 - b) Receivables Sanitation \$0.7 million.
19. Provisions for annual and long service leave have decreased by \$188,254 from 4.4 million to \$4.3 million when compared to the previous year.

APPLICABLE LAW

20. *The Local Government Act 1995 s6.8 and the Local Government (Financial Management) Regulations 1996 s34 and s35.*

APPLICABLE POLICY

21. Nil.

STAKEHOLDER ENGAGEMENT

Internal Referrals

22. 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

23. As noted in point 20 above, the City is required to present to the Council a monthly statement of financial activity with explanations for major variances.

FINANCIAL CONSIDERATIONS

24. The City's financial position continues to be closely monitored to ensure it is operating sustainably and to allow for future capacity. 2023/24 Capital Works will be scrutinised and carry forwards will be identified with the April results to assist in formulating the 2024/25 Annual Budget.

SUSTAINABILITY

Social Implications

25. Nil.

Economic Implications

26. Nil.

Environmental Implications

27. Nil.

RISK MANAGEMENT

28.

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

29.

Risk: Non-compliance with Financial Regulations		
Consequence	Likelihood	Rating
Moderate	Unlikely	Low
Action / Strategy		
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

30. The City’s Financial Statements as at 30 April 2024 reflect the audited surplus carried forward from 2022/2023.

Voting Requirements: Simple Majority

RECOMMENDATION

That Council RECEIVE the Monthly Statutory Financial Statements for the period ended 30 April 2024 which comprises:

- a) Statement of Financial Activity (Nature or Type) for period ended 30 April 2024 (Attachment 1).
- b) Net Current Funding Position, note to financial report as of 30 April 2024 (Attachment 2).
- c) Statement of Financial Position as of 30 April 2024 (Attachment 3).


10.6.2. Debtors and Creditors Reports for the month of April 2024

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"> 1. Creditor Payments for the Period ended 30 April 2024 - (Public) [10.6.2.1 - 12 pages] 2. Corporate Credit Card Payments 27 February 2024 to 26 March 2024 - (Public) [10.6.2.2 - 2 pages] 3. Summary of Debtors for the month of April 2024 [10.6.2.3 - 2 pages] 4. Summary of Creditors for month of April 2024 [10.6.2.4 - 1 page]
Confidential Attachments	<ol style="list-style-type: none"> 1. Creditor Payments for the Period ended 30 April 2024 – (Confidential) 2. Corporate Credit Card Payments 27 February to 26 March 2024 – (Confidential)

Reason for Confidentiality: *Local Government Act 1995 (WA) Section 5.23 (2) (e) - "matter that if disclosed, would reveal - (i) a trade secret; (ii) information that has a commercial value to a person; or (iii) information about the business, professional, commercial or financial affairs of a person; - where the trade secret or information is held by, or is about a person other than the local government"*

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 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 2031

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 details of payments made from Municipal and Trust accounts together with outstanding debtors and creditors for the month of April 2024.
2. The report provides details of payments made from the Municipal and Trust Fund Accounts for the month of April 2024. It also includes details of employee purchases via purchasing cards for 27 February to 26 March 2024.
3. It is recommended that Council receive the list of:
 - a) payments made from the Municipal and Trust Fund Accounts for the month of April 2024,
 - b) payments made by employees via purchasing cards from 27 February to 26 March 2024.
The above two lists are in accordance with the requirements of the *Local Government (Financial Management) Regulations 1996* (Regulation 13 & 13A); and
 - c) the outstanding debtors and creditors report for the month of April 2024.

BACKGROUND

4. Trade Debtors and Creditors are subject to strict monitoring and control procedures.
5. In accordance with *the Local Government (Financial Management) Regulations 1996* (Regulation 13) reporting on payments made from Municipal Fund and Trust Funds must occur monthly.
6. Effective from 1 September 2023 under *Local Government (Financial Management) Regulations 1996* (Regulation 13A)
If a local government has authorised an employee to use a credit, debit or other purchasing card a list of payments made using the card must be prepared each month showing the following information for each payment made since the last list was prepared;
 - a) The payee's name
 - b) The amount of the payment
 - c) The date of the payment

- d) Sufficient information to identify the payment.

DETAILS AND ANALYSIS

Debtors

- 7. Sundry debtors as of 30 April were \$242,664. This includes \$143,910 of current debts and \$822 unallocated credits (excess or overpayments).
- 8. Invoices over 30 days total \$9,941, debts of significance:
 - a) Municipal Workcare, \$8,033, Workers Compensation.
- 9. Invoices over 60 days total \$69,238, no debts of significance.
 - a) Dept of Education, \$43,919, Kostera Oval – Shared Expenses; and
 - b) Archetype Design Studio, \$25,256, JDAP Fees.
- 10. Invoices over 90 days total \$20,398, debts of significance:
 - a) Private Citizen, \$9,281 Fire Break – Reimbursement.
 - b) Private Citizen, \$3,820 Fire Break – Reimbursement (paid 03/05/24);
 - c) Private Citizen, \$2,126, Bond Admin & Maintenance Fees; and
 - d) N-Com, \$1,934, Telecommunications Electricity.

Creditors

- 11. Payments totalling \$4,288,906 (excluding payroll) were made during the month of April 2024. Standard payment terms are 30 days from the end of the month, with local businesses and contractors on 14-day terms.
- 12. Significant Municipal payments (GST inclusive – where applicable) made in the month were:

Supplier	Purpose	\$
Cleanaway	Waste / recycling & bulk bin disposal services fees	771,206.11
Beaver Tree Services	General tree services / under powerlines pruning for various locations	455,806.93
City of Cockburn	Disposal of general waste from the weekly residential waste collection	445,832.37
Australian Taxation Office	PAYG payments	435,067.82
Aware Super Pty Ltd	Superannuation contributions	194,848.61
Synergy	Power charges	161,929.09

Advanteering Civil Engineers	Progress claim #10 - Stirk Park Playground & Skate Park	139,601.66
Entire Land Care Pty Ltd	Fire mitigation services at Jorgensen Park & Walliston Transfer Station	100,100.00
OCE Corporate Pty Ltd - Office Cleaning Experts	Cleaning services / consumables for various locations	71,072.54

These payments total \$2,775,465.13 and represent 65% of all payments for the month.

Payroll

13. Net salaries (excluding taxes, superannuation and other deductions) are paid in fortnightly cycles. A total of \$1,323,817.15 was paid in net salaries for the month of April 2024.
14. Details are provided in Attachment 1/Confidential Attachment 1 after the creditors' payment listing.

Trust Account Payments

15. The Trust Accounts maintained by the City of Kalamunda (City) relate to the following types:
 - a) CELL 9 Trust;
 - b) Public Open Space funds,
 - c) NBN Tower Pickering Brook Trust
16. There was no payment made from any trust account in April 2024.

APPLICABLE LAW

17. Regulation 12(1) of the *Local Government (Financial Management) Regulations 1996*.
18. Regulation 13 & 13A of the *Local Government (Financial Management) Regulations 1996*.

APPLICABLE POLICY

19. Debt Collection Policy S-FIN02.
20. Register of Delegations from Council to CEO.

STAKEHOLDER ENGAGEMENT

Internal Referrals

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

External Referrals

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

FINANCIAL CONSIDERATIONS

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

SUSTAINABILITY

24. Nil.

RISK MANAGEMENT

Debtors

25.

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

Creditors

26.

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

CONCLUSION

27. Creditor payments are within the normal trend range.

Voting Requirements: Simple Majority

RECOMMENDATION

That Council:


1. RECEIVE the list of payments made from the Municipal Accounts from the month of April 2024 (Confidential 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 27 February to 26 March 2024 using Corporate Purchasing Cards (Confidential Attachment 2) in accordance with the requirements of the *Local Government (Financial Management) Regulations 1996* (Regulation 13A).
3. RECEIVE the outstanding debtors and creditors reports (Attachments 3-4) for the month of April 2024.

10.6.3. Rates Debtors Report for the Period Ended 30 April 2024

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 April 2024 [10.6.3.1 - 3 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 (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 2031

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 rates recovery actions.

2. The City of Kalamunda (City) levied rates for 2023/2024 on 1 July 2023 totalling \$43,709,067, with prior year outstanding rates of \$2,363,869 and interim rates of \$647,427 total rates collectable at 30 April 2024 is \$46,720,362. Collections to date stand at \$42,942,857.
3. It is recommended that Council receive the Rates Debtors Reports for the month ending 30 April 2024 (Attachments 1).

BACKGROUND

4. Rate Notices were issued on 14 July 2023 with the following payment options available:

Options	Payment Dates			
Full payment	18 August 2023			
Two instalments	18 August 2023	22 December 2023		
Four instalments	18 August 2023	20 October 2023	22 December 2023	23 February 2024

DETAILS AND ANALYSIS

5. A total of 24,219 notices were issued on 14 July 2023. This consisted of 20,710 mailed rates notices, and 3,509 of eRates notices (14% take-up saving more than \$5,000 in postage and printing).
6. As of 30 April 2024, rates Levied and collectable for the 2023/2024 Financial Year, (including interim rates of \$647,427) is a total \$45,467,163 (excluding deferred rates), with collections standing at \$42,942,857 This represents a collection rate of 94.03%.
7. A total of 8,612 ratepayers have taken up an instalment option (option 2 & 3 represented in the table below). This is an increase from 2022/2023 where 8,130 chose an instalment option. The first instalment due date was 18 August 2023. A total of 1,045 ratepayers have chosen to pay via direct debit, a significant increase from 350 in 2022/2023. Refer to the table below:

Option	Description	Number
Option 2 on Rate Notice	Two instalments	1,732
Option 3 on Rate Notice	Four instalments	6,880
A Smarter Way to Pay	Pay by Direct Debit over a mutually agreed period.	941

Direct Debit	Payment to be received by April 2024	104
Total	Ratepayers on payment options	9657

APPLICABLE LAW

- 8. 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

- 9. The City’s rates collection procedures are in accordance with the Debt Collection Policy S-FIN02.

STAKEHOLDER ENGAGEMENT

Internal Referrals

- 10. The City’s Governance Unit has been briefed on the debt collection process.

External Referrals

- 11. The higher-level debt collection actions will be undertaken by an external collection agency.

FINANCIAL CONSIDERATIONS

- 12. 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

- 13. Debt collection can have implications upon those ratepayers facing financial hardship and the City must ensure equity in its debt collection policy and processes.
- 14. The City has “a smarter way to pay” direct debit option 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 their financial burden.

Economic Implications

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

Environmental Implications

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

RISK MANAGEMENT

- 17.

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

CONCLUSION

- 18. The current year collection rate is 94.03% compared to 95.61% last year. Despite the slight slippage, the City continues to effectively implement its rate collection strategy.
- 19. As a consequence of a greater percentage of people opting for Instalments and payment arrangements, initial cashflow has been delayed this year. With the finalisation of the instalment option in February, cashflow is now tracking positively.

Voting Requirements: Simple Majority

RECOMMENDATION


That Council RECEIVE the Rates Debtors Report for the Period ending 30 April 2024 (Attachment 1).

10.6.4. Budget 2024/2025 - Differential Rates

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

Previous Items	Nil.
Directorate	Director Corporate Services
Business Unit	Financial Services
File Reference	FI-RTS-012
Applicant	N/A
Owner	N/A
Attachments	1. 2024/2025 Objects and Reasons [10.6.4.1 - 3 pages]

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STRATEGIC PLANNING ALIGNMENT

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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 consider the level at which to set and advertise differential rates and the Waste Avoidance and Resource Recovery (WARR) Levy as part of the 2024/2025 Budget process.

2. In accordance with the requirements of the *Local Government Act 1995* (the Act), s6.36, a local government is required to give a local public notice period of 21 days with the intention to impose differential general rates or a minimum rates payment.
3. It is recommended that Council approve the 2024/2025 rate in the dollar and the minimum rates to be advertised by public notice as per the following:

Category/Levy	Rate in \$	Minimum Rate \$
General GRV	0.067372	1,020
Industrial/Commercial GRV	0.082058	1,280
Vacant GRV	0.104031	810
General UV	0.003931	1,020
Commercial UV	0.004858	1,280
Waste Avoidance and Resource Recovery Levy (All Categories)	0.000487	23.32

4. Council is also requested to endorse the Objects and Reasons for the Proposed Differential Rate Categories for the 2024/2025 Financial Year (Attachment 1).

BACKGROUND

5. In accordance with the requirements of s6.33 of the Act, a local government may impose differential rates having met the characteristics prescribed.
6. In accordance with the requirements of s6.35 of the Act, a local government may impose a minimum payment that is greater than the general rate which would otherwise be payable on that land.
7. GRV's (Gross Rental Value) are provided to all local governments by Landgate and are assessed every three years by Landgate valuers. The triennial valuation ensures consistency and fairness in the allocation of rates.
8. Properties not on a GRV will be rated based on an Unimproved Value (UV). These UV values are updated annually by Landgate.
9. Differential Rates have been part of the Budget for many years, with modifications to categories introduced over time to assist in spreading the rate burden fairly and equitably amongst the rates categories and providing opportunities for increases in overall rate income.

DETAILS AND ANALYSIS

Formulating the 2024/2025 Budget

10. In the process of forming a budget, at the first step, all costs required to meet the objectives of the City, all costs required to pay for services and all costs associated with maintaining and creating assets will be estimated. Also, the income from other revenue sources will be estimated. The difference between the total expenditure and other sources of revenue is the amount expected to be raised from rates. Once the amount to be raised from rates is calculated then a rate can be established against each rateable property across the City.
11. The City formulates its budget aiming to achieve positive results against the financial ratios that measure the City's financial performance and to ensure that it remains financially sustainable.
12. Financial ratios are designed to provide clearer interpretation of the performance and financial results of a local government and a comparison of trends over several years. These indicators provide a short term measure of the financial sustainability of the local government.
- The two key ratios the City focuses on are:
1. Asset Sustainability Ratio, and
 2. Operating Surplus Ratio.
13. The City's Financial results for the year ending June 2023, highlighted a trend was occurring showing a deterioration in one of the ratios over the past few years – namely the Operating Surplus Ratio (OSR).
14. This trend was identified by the Office of the Auditor General (OAG) and a potential plan was developed and considered by Council to address this matter and bring rates revenue more aligned with operating costs.
15. Considering the declining OSR the 2024/2025 budget and future budgets will need to be focussed on addressing the declining OSR to ensure the City remains financially sustainable.
16. The following table provides results of the operating surplus ratio of the City for last four years.

Ratio	2023	2022	2021	2020	Benchmark Required
Operating surplus ratio	(0.04)	(0.09)	(0.04)	(0.03)	Between 0.01 and 0.15

What is the Operating Surplus Ratio (OSR)?

17. Operating Surplus Ratio Calculation

$$\frac{\text{(Operating Revenue MINUS Operating Expense)}}{\text{divided by Own Source Operating Revenue}}$$

18. This ratio is a measure of a local government's ability to cover its operational costs and have revenues available for capital funding or other purposes.

19. Required Standards

1. Basic Standard between 1% and 15% (0.01 and 0.15)
2. Advanced Standard > 15% (>0.15).

20. 'Operating Revenue' Means the revenue that is operating revenue for the purposes of the Australian Accounting Standards, excluding grants and contributions for the development or acquisition of assets. Items included as revenue are rates and service charges, fees and user charges, reimbursements and recoveries, interest income and profit on disposal of assets.

21. 'Operating Expense' Means the expense that is operating expense for the purposes of the Australian Accounting Standards.

Why is the OSR negative?

22. A negative OSR means that the City doesn't earn enough operating revenue to pay for operational expenditure.

23. There are 3 key reasons that this ratio is in decline they are:

1. Revenue is not matching operating expenditure
2. Depreciation expense increases
3. Increasing cost of providing services and assets

24. For the 2024/2025 year the City faces a significant challenge being high inflation as a result of global and domestic economic issues generating high levels of economic uncertainty, and further upward pressure on costs.

25. Each of these issues is discussed in detail as follows.

Rates

- 26. In 2013/2014 when the inaugural Long Term Financial Plan (LTFP) was adopted by Council, it was predicated on rates increases set at 7% over the 10 years to fund the growth in asset renewals and new assets. This was in recognition of the backlog of assets renewals and aging facilities that the City was carrying on its books. Furthermore, the City has grown its population base with many new development fronts being created and demand for services increasing subsequently in line with growth.
- 27. Since 2018 the Council reduced rate increases which were well below the 7% per annum target what was set out in the LTFP, which has resulted in a cumulative loss of revenue over the past 4 years as shown in the table below;

RATES		
Year	Total Received	Annual Increase
2014	\$ 28,939,389	
2015	\$ 30,599,405	6%
2016	\$ 32,769,644	7%
2017	\$ 35,066,848	7%
2018	\$ 35,992,132	3%
2019	\$ 37,436,125	4%
2020	\$ 37,864,554	1%
2021	\$ 38,342,129	1%
2022	\$ 41,806,941	4.9%
2023	\$43,866,164	4.5%

- 28. Had the Long-Term Financial Plan been maintained with its rates projections being adopted annually, the City would likely have been in a stronger position to be covering its operating costs, as well as being able to build reserves that will provide capacity to fund future major facilities development and partially withstand unforeseen inflation impacts being experienced.
- 29. In the absence of significant alternative revenue streams, it is important to maintain rates increases in line with necessary expenditure to avoid deterioration of operating capacity.

Depreciation

- 30. The change in accounting standards to fair value accounting in 2017 is a key cause for the deterioration of the Operating Surplus Ratio. The City had no option but to comply to the change and now must deal with a legacy issue from the change.

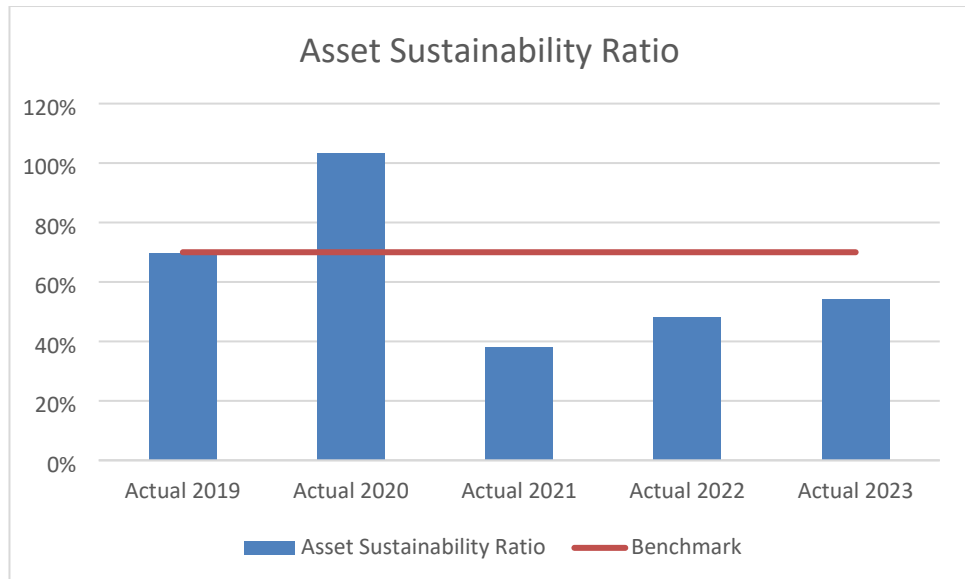
31. As the City continues to add new assets and doesn't rationalise old underutilised assets, depreciation will continue to rise and negatively impact upon the financial viability of the City in the future.

DEPRECIATION		
YEAR	ACTUAL	% CHANGE
2016	\$ 6,043,120	
2017	\$ 10,130,153.00	68%
2018	\$ 10,237,301.00	1%
2019	\$ 10,986,630.00	7%
2020	\$ 11,316,721.00	3%
2021	\$ 13,327,727.00	18%
2022	\$ 13,764,916.00	3.3%
2023	\$ 14,349,530.00	4.2%

Revaluation of infrastructure assets was completed in by 30 June 2023 resulting in an increase in the depreciation charge to \$17.6 Million in 2024/2025 Budget. This is a 22% change from 2023 financial year.

Cost of Services and Assets

32. The City of Kalamunda has a significant asset base and a wide range of services delivered from the asset base. Currently, the City's net assets equate to approximately \$664 million. Managing such an asset base is challenging and requires sound asset management strategies, a clear understanding of lifecycle costing, an overall maturity of asset management competencies within the business.
33. Maintaining and renewing such a large asset base and delivering a wide range of services requires revenue to match the recurrent operating costs required. The City's main revenue source is largely dependent on rates.
34. As noted above, the City is closely monitoring its Asset Sustainable Ratio for which it has set a benchmark of 70% (90% benchmark applies for developed Councils) with the chart below showing that although improving, we are not investing enough to meet the benchmark.



35. The following table shows the increasing trend in materials and contracts costs after post pandemic service reinstatements.

MATERIALS & CONTRACTS		
YEAR	ACTUAL	% CHANGE
2018	\$20,563,241.00	-11%
2019	\$20,391,297.00	-1%
2020	\$22,443,971.00	10%
2021	\$20,233,774.00	-10%
2022	\$23,253,381.00	15%
2023	\$27,702,293.00	19%

36. The City has undertaken a thorough review of its cost structures, revenue generation opportunities and service levels in order to formulate a financially responsible budget.
37. The City's financial sustainability will be critically dependent upon maintaining close scrutiny over costs., leveraging commercial opportunities in order to mitigate the impact on rates, service levels and asset condition levels.
38. By way of example service areas that have increased over the past 5 years are as follows.

a) Community Engagement & Public Relations

- i. In 2016/2017, in response to Council's direction for increased community engagement and communications, the City created the Customer and Public Relations Business Unit.
- ii. Funding for resourcing was allocated by Council to expand this service area.

b) Strategic Planning

- i. In line with Council's adoption of its Local Planning Strategy (LPS) and the City's obligation to meet its density targets, the City embarked on rezoning and structure planning of its special rural areas and around its activity centres.
- ii. The City created the Strategic Planning Team to deliver the LPS and its ongoing reviews, as well as to manage Developer Contribution Plans for newly created areas and to facilitate the creation of aged care sites and land development opportunities.

c) Economic Development & Tourism

- i. In 2017/18 the Council adopted its Economic Development Strategy and Tourism Strategy as well as Advisory Committees to support Economic Development and Tourism. A Business unit was created to implement these strategies.

d) Arts & Culture

- i. In 2017/2018 the Council adopted its Arts Strategy and created an Advisory Committee to support increased focus and service delivery for culture & the arts. Council allocated funding to deliver the strategy and support the Arts Advisory Committee.
- ii. Significant Asset Projects would have a component of public art funded by the City.

e) Master Planning Community Facilities & Reserves

- i. Since 2013 the City has developed a masterplan approach for all of its major City reserves, district parks and community facilities precincts.
- ii. The creation of a master plan approach has been to support the need to attract funding through advocacy. Currently the City has received funding to upgrade sporting reserves, provide community facilities such as the Kalamunda Community Centre and more recently a \$60 million commitment to build the High Wycombe Aquatic and Recreation Centre.
- iii. Masterplans have provided an effective approach to achieve proper planning and decision making based on usage, growth, needs, and priority. The management of master planning and ongoing implementation also required additional resourcing.

f) Youth Services

- i. In 2015/2016 Council viewed the provision of services to youth was lacking. The City created a Youth Plan outlining a series of strategies to improve youth engagement across the City.

- ii. This plan required an increase in resources to implement the strategy.

g) Environment

- i. In 2022/2023 the Council adapted the “Climate change action plan” (CCAP). The purpose of CCAP is to ensure the City is prepared and ready to adapt to the climate challenges that lie ahead. The plan commits the City’s support and advice to businesses and the community to help them meet the challenges.
- ii. This plan requires an increase in resources to implement the actions.
- iii. The City has made a conscious decision to plant new trees to increase the urban canopy cover. Each tree requires at least \$1,500 to establish over a three year period. It is estimated that the cost of watering the trees is \$500,000 per year.

h) Asset Maintenance

- i. Traffic Management costs which is a compliance requirement when crews are working on road and drainage infrastructure is estimated to cost at least a \$1Million annually. With the State Government awarding significant increases to their contractors on Metro projects has resulted in the City’s own contractors having to match these pay rates to retain staff causing the significant increase in costs.
- ii. The City has received new Parks with the increase in sub-divisions such as the Hales in Bushmead. These new parks will require maintenance.
- iii. The City has recently upgraded some of its parks, such as, Stirk Park, with community expectation that they provide higher amenities which have significant cost impacts.
- iv. Parts for reticulation of the Reserves have gone up above CPI with some increases by 20% to 50%.
- v. The assets delivery team has had significant increases to assist in the delivery of the Strategic projects.

39. Whilst the growth in services was viewed as necessary and has delivered significant benefits to the community there has also been a corresponding increase in human resourcing, depreciation, and maintenance costs into the City’s budget. These increases have had to be mitigated through cost cutting in other service areas to balance the budget and deliver minimal rate increases. Whilst this approach is useful in the short term, it also has a deleterious effect in the longer term.

Inflation and Local Government Cost Index LGCI

40. Although the previous years record levels of CPI growth have subsided from (7%) in March 2023, inflation is proving stubbornly resistant currently sitting at (3.6%) March 2024.
41. The Reserve Bank of Australia recently forecast that inflation is likely to rebound from 3.6% to 3.8% in June 2024 before declining to 3.2% by mid-2025. Notwithstanding, economists remain divided on the trajectory of inflation in the next 12 months.

Local Government Cost Index (LGCI)

42. The LGCI is developed by WALGA and provides an indication of those changes in the WA Economy relating more closely to the functions of Local Government. The LGCI is calculated on the weighted average of a number of component indices, published by the Australian Bureau of Statistics and forecast by State Treasury. The following indices are used to calculate the Local Government Cost Index:

LGCI Table

Component	Weighting	2022-23 (a)	2023-24 (f)	2024-25 (f)	2025-26 (f)	2026-27 (f)
Employee costs	35%	4.2	4.3	3.8	3.5	3.3
Materials and contracts	28%	4.3	4.5	3.1	2.8	2.8
Furniture	1%	5.8	1.8	1.4	1.4	1.4
Non-residential building	5%	1.0	3.5	2.6	1.0	1.1
Machinery and Equipment	5%	11.5	3.4	2.8	2.5	2.5
Non-road infrastructure	9%	3.3	2.8	2.2	1.8	2.2
Road and bridge construction	10%	3.8	2.0	1.8	2.2	2.7
Utilities	3%	2.5	2.5	2.5	2.5	2.5
Insurance	1%	12.4	11.6	8.5	5.0	3.0
Other	3%	6.2	4.0	3.0	2.8	2.5
LGCI	100%	4.4	3.9	3.1	2.8	2.8

43. Some of the key drivers impacting the City's costs, include:
- i. Continued increases in construction costs with forecast increases in bitumen (5.1%) and asphalt (4.7%).
 - ii. Construction costs for buildings, bricks and tiles forecast to increase by 10%.
 - iii. Significant supply chain disruption resulting in delays in procuring materials.

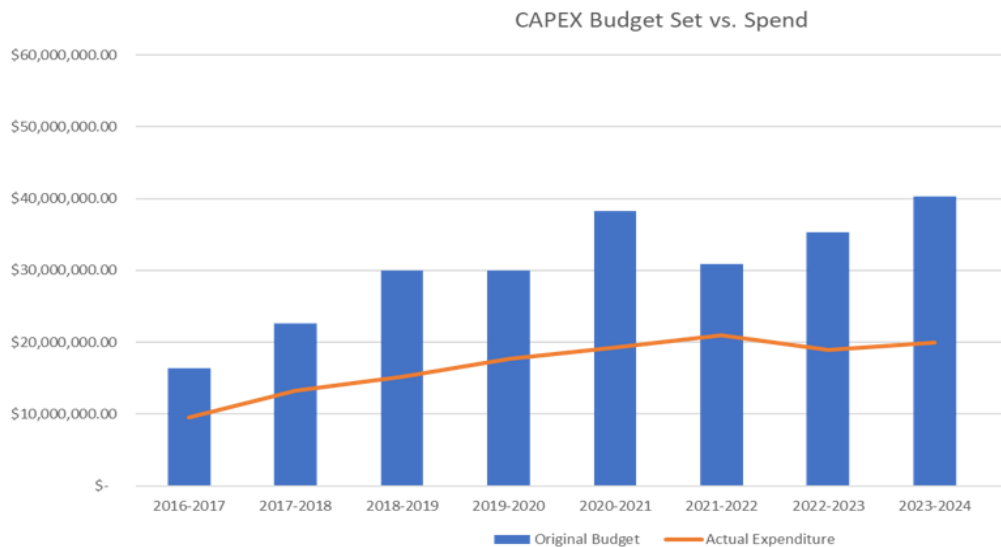
Employee Costs

- 44. The City of Kalamunda is essentially a service-based organisation, hence its cost base mainly comprises of employee cost and materials and contracts to support service-related activities.
- 45. The labour market is slowly turning with unemployment beginning to rise. Despite the loosening labour market, wage growth continues to grow quickly, having risen 4.7% in WA during the past 12 months and with growth expected to continue around the 4% mark. The combination of escalating costs and labour market constraints make it challenging for Local Governments to deliver on the communities growing needs and expectations.
- 46. Council is responsible for determining providing service levels and for determining the City's Capital Works Program for the construction of new assets and the renewal of existing assets. The CEO has the responsibility to determine the resources both human and physical required to deliver the service and then Council allocate the funding. These roles are clearly defined in the Act.

Capital Works Program Delivery

- 47. The City over the past five years has experienced significant growth in the capital works program. However, in response to the increases experienced in building and construction costs and staff numbers having remained relatively static, has resulted in high levels of unspent capital works jobs being carried over into each subsequent financial year. The table below illustrates this trend.

- 48.



49. In response to this trend, the City has focussed the 2024/2025 budget in right sizing the capital works program and building capacity within the Asset delivery team.

Human Resources

50. The following table highlights that human resources have reduced in the past 5 years due to cost pressures arising from depreciation increases, low rate increases and unavoidable annual inflationary cost pressures.

The City is cognisant of the rapid cost of increases and started re-investing in staff which will help in ensuring manageable retention levels which peaked in 2022/2023 at 32% turnover.

For 2024/25, further resourcing has been sought mainly in the asset and compliance areas of the City. In addition other resourcing has been sought to support development of new revenue streams to offset the current heavy reliance on rating income.

51.

EMPLOYEE FULLTIME EQUIVALENTS				
YEAR	FTE	% CHANGE	\$ACTUAL	% CHANGE
2017	260	0.4%	\$25,907,535	
2018	259	-0.4%	\$24,026,597	-7%
2019	257	-0.8%	\$25,256,690	5%
2020	251	-2.3%	\$25,144,391	0%
2021	254	1.2%	\$24,892,251	-1%
2022	255	1.0%	\$25,170,251	1%
2023	256	1.0%	\$26,093,369	3.6%

What options Does Council have to Address the OSR?

52.

Option 1 Do Nothing

The do-nothing option comes with risk as previously outlined and is not a recommended approach that would be supported by the City’s Administration and possibly the Department of Local Government, Sport & Cultural industries. It’s a financially un-sustainable path. This action will likely be unviable.

However, if it was a decision that Council and the Community determined it would accept, this option would need to be discussed with the regulatory bodies that the City reports to and agreed upon.

53. **Option 2 Increase Revenues**

The City has only two types of own source revenues it can increase these include:

1. Increase Rates

The Council can set a fixed rate increase for the period of the Operating Surplus Recovery Action Plan (OSRAP). This additional fixed rate would need to be levied on top of the LG cost Index to ensure business as usual can occur whilst also addressing the OSR.

2. Increase fees & Charges

The City collects fees and charges for several of its services. The 2023-2024 year end actual result for fees and charges was \$18 million. Of this amount \$13.5 million was collected from waste fees. Waste fees are a charge that is based on cost recovery and hence raising waste fees will not address the OSR issue.

54. **Option 3 Decrease Operating Expenditure**

The City has undertaken a detailed operating expenditure review where each cost centre outlined opportunities where savings could be made.

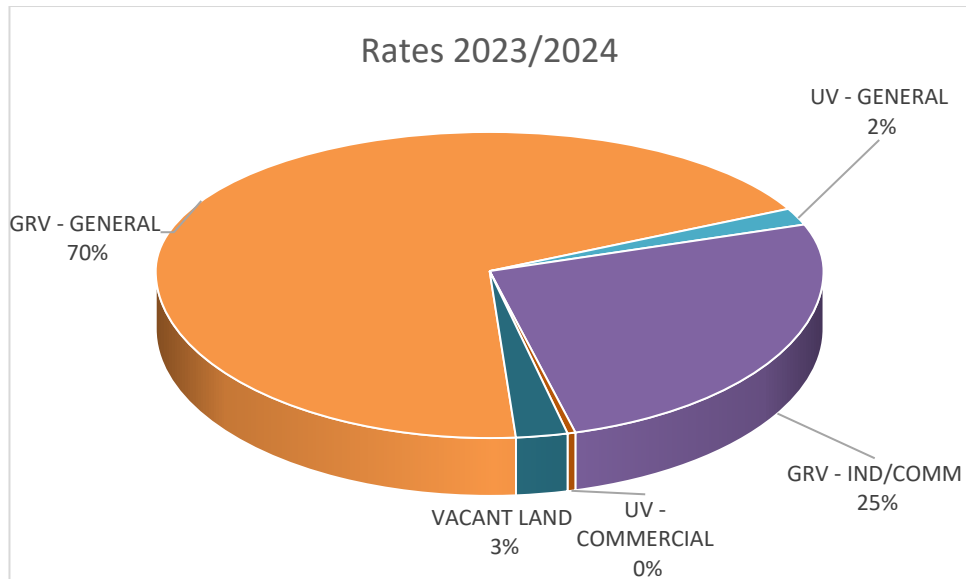
55. **Option 4 A combination of Option 2 and 3**

This is the most preferred option as it reduces pressure on service reduction whilst also ensuring that the impact of addressing the OSR is equally borne by all ratepayers.

The Council has chosen option 4 which reflects the proposed increase to rates for 2024/2025 as well as further reductions in operating costs where possible.

56. **Rating categories**

Using the 2023/2024 Budget data, the makeup of the various rates categories was shown as depicted in the pie chart below. The data presented shows that two categories, General (Residential) and Commercial Industrial, make up 95% of all properties in the City with 70% and 25% being the respective percentages.



Rate Increase 2024/2025

57. The proposed increase in the Rate in the Dollar and Minimum Rates are 5.5% for GRV General (Residential), UV General, and 7% Vacant GRV Commercial/Industrial and UV Commercial categories. Pursuant to *the Local Government Act 1995* s6.35 the number of properties on minimum rates within a category cannot exceed 50% of the properties in that category.
58. The Rate revenue spread for budget 2024/2025 is similar to the current budget.

Budget Process

59. Planning for the future and the various elements of the proposed budget for 2024/2025 commenced in March 2024 and has continued through a series of budget workshops with Elected Members. These workshops have considered detailed analysis of the City's:
- a. Operating Expenditures
 - b. Capital Works scenarios
 - c. Operating Revenues
 - d. Maintenance and renewal program relating to facilities and assets.
 - e. Reserves and borrowings
 - f. Consolidated Position with a review on capital carry forwards and associated funding impacts

60. Throughout the budget process the City and the Council conducted detailed reviews of all expenditure lines before arriving at the proposed differential rate increase of 5.5% for the various categories. The proposed increase was derived following consideration of several economic metrics including CPI, Local Government Cost Index, Building Construction Index and Roads and Bridges Index and the impact thereof on the City's proposed works and services program for 2024/2025. This report seeks to ratify the levels at which the City will advertise differential rates for the 2024/2025 financial year.

Waste Avoidance and Resource Recovery

61. The State Government, in 2007, introduced a *Waste and Resource Recovery Act* which allows for local governments to charge a levy to cover the cost of ongoing monitoring of closed land fill sites.
62. The City recommends the continuation of the WARR Levy to address the long-term remediation of former landfill sites that the City is responsible for. The Department of Water and Environmental Regulation is applying stringent control over monitoring and rehabilitation requirements for contaminated sites.
63. The proposed rate for 2024/2025 is \$0.000487 and a minimum charge of \$23.32 across all properties. The estimated amount to be raised from the levy is \$615,826.
64. Unspent funds are held in reserve and will be put towards remediation of the more significant sites such as Brand Road and Dawson/Pioneer Park once the detailed site investigations are complete, the extent of remediation works are defined and risks associated with the various sites are better understood.
65. The City has an estimated program of works totalling \$1.2 Million for 2024/2025 to undertake annual investigations, remediation, and ongoing management.

APPLICABLE LAW

66. Rates are levied on all rateable properties within the boundaries of the City in accordance with the Act. The overall objective of the proposed rates and charges in the 2024/2025 budget is to provide for the net funding requirements of the Council's activities and works programs.
67. In accordance with s6.36 of the Act, the City is required to ensure that a notice is published in sufficient time to allow submissions to be made by an elector or a ratepayer in respect of the proposed rate within 21 days of the publication of the notice.

The minimums used ensured compliance with S6.35 of the *Local Government Act 1995*.

“(2) A minimum payment is to be a general minimum but, subject to subsection (3), a lesser minimum may be imposed in respect of any portion of the district.

(3) In applying subsection (2) the local government is to ensure the general minimum is imposed on not less than —

- (a) 50% of the total number of separately rated properties in the district; or*
- (b) 50% of the number of properties in each category referred to in subsection (6),
on which a minimum payment is imposed.*

(6) For the purposes of this section, a minimum payment is to be applied separately, in accordance with the principles set forth in subsections (2), (3) and (4) in respect of each of the following categories —

- (a) to land rated on gross rental value; and*
- (b) to land rated on unimproved value; and*
- (c) to each differential rating category where a differential general rate is imposed.”*

APPLICABLE POLICY

68. The City's Rates Policy continues to be based around differential rates.

STAKEHOLDER ENGAGEMENT

69. As noted above, senior staff from all operational areas and the Elected Members have been consulted in the determination of the annual budget.

70. Subject to the approval of the recommendation of this report, a notice of the adopted figures will be advertised. A consultation period of 21 days will exist in which ratepayers can make comment or objection submissions to the proposed RID and minimums. This public consultation is done in line with the requirements of the *Local Government Act 1995 and the Financial Management Regulations Act 1996*.

FINANCIAL CONSIDERATIONS

71. Throughout the 2024/2025 budget, the City will maintain tight control over expenditure.

72. The proposed rating structure is a critical element in ensuring ongoing financial sustainability. It is also vital in enabling the City to deliver its

significant capital works program and provide the services required by the community.

SUSTAINABILITY

Social Implications

- 73. Increasing rates will generally have an adverse impact on lower income homeowners. The City has in this respect introduced several mechanisms in the past few years, to assist Ratepayers such as:
 - a) "Smarter Way to Pay".
 - b) Direct Debit Payment arrangements.
 - c) Special payment arrangements.
- 74. Based on the 2023/2024 comparison across 29 metro Local Governments, the current City's minimum rates compares very favourably, in that the general residential Rate in the Dollar is 17% less than the average for the Metropolitan councils.

Economic Implications

- 75. The rating structure proposed aims to achieve an equitable yield in rates revenue.

Environmental Implications

- 76. The continuation of the WARR Levy will enable the City to meet its community expectations and statutory requirements to remediate and manage contaminated sites.

RISK MANAGEMENT

- 77.

Risk: Delay in approving proposed rates could result in rate notices being unable to be issued by mid July 2024 leading to cash flow problems		
Consequence	Likelihood	Rating
Critical	Possible	High
Action/Strategy		
Ensure that Council consensus is achieved by continuous briefing and updates on the budget.		
Ensure that the budget is adopted prior to 30 June 2024.		
- 78.

Risk: Community dissatisfaction with rate levels.		
Consequence	Likelihood	Rating

Moderate	Possible	Medium
Action/Strategy		
A comprehensive communication and information plan will be implemented to assist the community in understanding as part of issuing of the Rate Notices.		

79.

Risk: Council fails to implement measures within the budget that will improve the Operating Surplus Ratio.		
Consequence	Likelihood	Rating
Moderate	Possible	Medium
Action/Strategy		
Council is fully briefed on the implications of not addressing the declining OSR. The City puts in measures to incrementally improve the OSR.		

CONCLUSION

- 80. The City has undertaken a thorough analysis of its budget working proactively with Elected Members to generate efficiencies and reduce operating costs. The City will continue to monitor and address its Operating Surplus Ratio in future years until the ratio is brought back in line with the acceptable standard.
- 81. The rates charges contained within this paper are necessary to enable the City to meet its current and future obligations, and to continue operating in a financially sustainable manner.
- 82. Based on the 2023/2024 comparison across 29 metro Local Governments, the current City's rate in the dollar compares very favourably, in that the general residential Rate in the Dollar is 9% less than the average for the Metropolitan councils.
- 83. This report is submitted in order that the Council provides direction on the differential rates to be advertised for public comment as part of the 2024/2025 Budget process.

Voting Requirements: Simple Majority

RECOMMENDATION

That Council:

1. APPROVE the City of Kalamunda 2024/2025 rate in the dollar and the minimum rates to be advertised by public notice as per the following:

Category/Levy	Rate in \$	Minimum Rate \$
General GRV	0.067372	1,020
Industrial/Commercial GRV	0.082058	1,280
Vacant GRV	0.104031	810
General UV	0.003931	1,020
Commercial UV	0.004858	1,280
Waste Avoidance and Resource Recovery Levy (All Categories)	0.000487	23.32

2. ENDORSE the City of Kalamunda Objects and Reasons for Proposed Differential Rate Categories for the 2024/2025 Financial Year provided as Attachment 1.

10.6.5. Payments to Independent Committee Members

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

Previous Items	N/A
Directorate	Chief Executives Office
Business Unit	Governance
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 2031

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 consider the level of meeting fees which will be paid to Independent Committee Members of Advisory/Management Committees established by the Council in accordance with the *Local Government Act 1995 (Act)*.
2. The Act was amended in 2023 to include a provision that entitles Independent Members of Committees to receive payment for attending meetings.

3. There are currently two (2) Committees which have members that would be entitled to these payments:
 - a) Ray Owen Sports Centre Management Committee, and
 - b) Hockey & Tee Ball Advisory Committee.
4. It is recommended that a part payment be made only to the Ray Owen Management Committee.

BACKGROUND

5. The Act was amended in 2023 to include the following provision that entitles Independent Members of Committees to receive payment for attending meetings:

5.100. Fees paid and expenses reimbursed to committee members:

- (1) In this section —
 - committee member** means a person who is a committee member but who is neither a council member nor an employee;
 - determined** means determined by the Salaries and Allowances Tribunal under the *Salaries and Allowances Act 1975* section 7BAA.
- (2) A committee member who attends a meeting of the committee is entitled to be paid —
 - (a) the fee determined for attending a committee meeting; or
 - (b) if the local government has set a fee within the range determined for committee meeting attendance fees — that fee.
- (3) A committee member who attends a meeting of a prescribed type at the request of the council is entitled to be paid —
 - (a) the fee determined for attending a meeting of that type; or
 - (b) if the local government has set a fee within the range determined for meetings of that type — that fee

6. The fees determined by the Salaries and Allowances Tribunal are:

Thresholds for payment				
	Elected members		Independent committee members	
Band	Minimum	Maximum	Minimum	Maximum
1	\$325	\$415	\$0	\$415
2	\$195	\$305	\$0	\$305
3	\$100	\$215	\$0	\$215
4	\$50	\$125	\$0	\$125
All regional local governments	\$50	\$125	\$0	\$125

Fees will not be paid to council members as they are already compensated through the Annual Meeting attendance fee currently being paid.

DETAILS AND ANALYSIS

7. The City currently has two (2) Committees which have members that would be entitled to these payments:

- a) Ray Owen Sports Centre Management Committee (ROMC), and
- b) Hockey & Tee Ball Advisory Committee (HTBAC).

8. The purpose of the ROMC is:

To advise and make recommendations to Council on a range of strategic and/or policy issues regarding the development, care and management of the Ray Owen Sports Centre, Ray Owen Reserve, Lesmurdie (Reserve No 26127). This shall include the stadium and the outdoor netball/basketball courts.

9. The ROMC Terms of Reference provides for four (4) independent committee members.

Four (4) meetings of the ROMC are scheduled annually.

10. The purpose of the HTBAC is:

For the City of Kalamunda to assist the users of the Hockey / Teeball Facility (the Facility) to work considerately and collaboratively, so as to transition toward becoming a predominately Club managed shared facility in line with the terms of the shared Seasonal Lease Agreement and the City's Sporting Reserves Usage Policy.

11. The HTBAC Terms of Reference provides for four (4) independent committee members. Additionally the committee was appointed for a finite period ending in April 2025.

Meetings of the HTBAC are scheduled as needed.

12. Based on the purpose of the committees and the level of responsibility for each it is recommended that Independent Members of ROMC receive 50% of the maximum fee (\$152.50) and that no fee be paid to the HTBAC members.

APPLICABLE LAW

13. *Local Government Act 1995*

APPLICABLE POLICY

14. Governance 3 – Elected Members Entitlements, Travel and professional Development.

STAKEHOLDER ENGAGEMENT

15. Initial discussions by the Kalamunda Leadership Team there was supportive of the fee proposal.

FINANCIAL CONSIDERATIONS

16. Based on the recommendation of a part payment to members of the ROMC and four meetings per year the additional cost for the operation of the committee would be \$2450.00 annually.

SUSTAINABILITY

17. N/A

RISK MANAGEMENT

18.	Risk: Council does not set a fee in accordance with the requirements of the legislation.		
	Consequence	Likelihood	Rating
	Moderate	Unlikely	Low
	Action/Strategy		
	Ensure Council is aware of the consequences for not complying with the requirements of the <i>Local Government Act 1995</i>		

CONCLUSION

19. N/A

Voting Requirements: Absolute Majority

RECOMMENDATION

That Council:


1. SET the meeting fee for Independent Members of the Ray Owen Management Committee at \$152.50 per meeting, effective from 1 July 2024.
2. Does NOT APPROVE the payment of a meeting fee to the Independent Members of the Hockey & Tee Ball Advisory Committee.

10.6.6. Proposal for Establishment - Rhonda Hardy Memorial Scholarship

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

Previous Items	
Directorate	Office of CEO
Business Unit	
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 2031

Priority 4: Kalamunda Leads

Objective 4.1 - To provide leadership through transparent governance.

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

EXECUTIVE SUMMARY

1. This report recommends that a scholarship be created as a lasting legacy of the contribution of the City of Kalamunda's (City) former Chief Executive Officer (CEO), Rhonda Hardy, to advancing innovation and leadership of Council and the City as a whole.
2. The scholarship will be open to all City of Kalamunda staff as it will encourage the development of skills and knowledge in the area of Innovation and Leadership.

BACKGROUND

3. Innovation and Leadership was previously driven by the City's former Chief Executive Officer Rhonda Hardy who passed away suddenly in March 2024.
4. Rhonda joined the City (then Shire) in 2011 and was recognised across the Perth Metropolitan Area as an effective and passionate advocate for leadership and innovation, and helped position the City of Kalamunda as a leader in sustainability by effectively integrating the principles of sustainability throughout our organisation.
5. Rhonda's dedication to nurturing and encouraging other local government officers was unparalleled. Her fearless leadership, warmth, and caring nature infused every aspect of her work. She was recently described by the Executive Team as being enthusiastically collaborative and passionately inspiring, traits that defined her approach to everything she did.
6. As the CEO of the City of Kalamunda, Rhonda spearheaded initiatives like the Kalamunda GROW cultural program that became the driving force to building a resilient and empowered organisational culture.
7. Beyond her professional achievements, Rhonda was a tireless advocate for gender equality and community engagement. She dedicated her time to various not-for-profit organisations including volunteer roles with Regional Development Australia, Green World Revolution, Carbon Neutral Charitable Foundation and Property Council of Australia, sharing her expertise and passion for making a difference.

8. Rhonda's legacy extends far beyond her professional accomplishments. She touched the lives of countless individuals through her mentorship and support. Rhonda supported and mentored many staff over her three-decade long career to fulfill their goals and also assisted fellow CEOs for the past 10 years. She was a strong advocate for CEOs in Western Australia and worked tirelessly to motivate and empower staff across the sector to achieve their best, introducing innovation awards, a culture of care and training programs.
9. In recognition of the above it is proposed that a scholarship be developed in Rhonda's memory as a lasting legacy, built around her passion for encouraging staff from across the organisation to recognise the opportunities in their role to embrace the principles of leadership and innovation. The scholarship would also provide recognition of the immense value that Rhonda placed on lifelong learning and skills development, and on encouraging everyone to reach their full potential.
10. The proposed scholarship, is to be made available to staff, to the value of \$6,000 per year is proposed to additional learning and skills development in the area of leadership and innovation, with the term 'leadership and innovation' to be considered in its broadest possible sense. This scholarship would act to improve the level of skills, knowledge and experience currently held by the organisation in this area and would also assist in integrating the principles more broadly throughout the organisation.
11. Input has been sought from members of Rhonda's family on the proposed scholarship and they have advised the City that they would be pleased and proud to have a scholarship for sustainability named in honour of Rhonda. It is proposed that the scholarship would be called the 'Rhonda Hardy Memorial Scholarship'.

DETAILS AND ANALYSIS

12. The proposed scholarship will be managed by a Selection Committee (yet to be established) on behalf of Council, comprising interested Councillors, senior management and staff with innovation and leadership expertise. As a minimum, it is suggested that the Committee would comprise:
 - a) 2 x Council's Champions,
 - b) 1 x Director
 - c) Manager People Services
 - d) Learning & Development Coordinator

The Committee will be responsible for considering and assessing all of the applications and making recommendations to Council regarding the awarding of the scholarship.

13. Each financial year interested staff from across the organisation would be invited to apply for the scholarship funding by completing a simple application form. The intention of the scholarship is to provide staff with the opportunity to further their knowledge or develop their skills in an area of sustainability that will have direct benefits to their role at Council and to the organisation as a whole.
14. To maximise the effectiveness of the scholarship a set of selection criteria will need to be developed and agreed to by the Selection Committee. Such criteria could include items such as:
 - a) Value for money;
 - b) Level of interest in and commitment to leadership and innovation;
 - c) The potential for knowledge improvement and skills development;
 - d) The transferability of knowledge and skills to City's operations and activities; and
 - e) The commitment of the applicant towards sharing the knowledge and skills obtained.
15. Depending on the number and type of applications received it may be possible to split the scholarship funding so that there is more than one successful applicant in any one year. Similarly, if the Selection Committee decides that there are no applications of sufficient merit then no scholarship would be awarded in that year.
16. The proposed scholarship would be awarded by Council on the recommendation of the Selection Committee, with the funds to be made available for payment of invoices received by the successful applicant(s). No lump sum payments or direct payment to applicants will be made.
17. Receipt of the scholarship funding would be conditional on the successful applicant(s) sharing the knowledge and skills obtained through the activities funded by the scholarship in some way, as well as submitting a formal report following completion of their studies. For example, knowledge and skills could be shared through informal workshops, preparing a fact sheet or developing information for the intranet or internet.

APPLICABLE LAW

18. *Local Government Act 1995, 6.11 Reserve Accounts (1) Subject to subsection (5), where a local government wishes to set aside money for the use for a purpose in a future financial year, it is to establish and maintain a reserve account for each purpose.*

APPLICABLE POLICY

19. Not applicable

STAKEHOLDER ENGAGEMENT

20. The scholarship proposal has been extensively considered by the Kalamunda Leadership Team.
21. Rhonda’s family were consulted and have indicated their support for the proposal.

FINANCIAL CONSIDERATIONS

22. The City will closely manage application of the scholarship to ensure optional management.
23. If the allocated amount is not fully spent in the year, the balance becomes available for use in future years and will be funded from the amount assigned against the specified Reserve.

SUSTAINABILITY

24. Nil

RISK MANAGEMENT

25.	<p>Risk: Establishment of the award, and terms of the scholarship eligibility criteria and evaluation are not yet clearly defined.</p>		
	Consequence	Likelihood	Rating
	Moderate	Possible	Medium
	Action/Strategy		
	<p>The terms are the guiding rules and policies that regulate application, entry and participation in the scholarship program that have yet to be defined. These requirements should be defined in writing to ensure compliance on the part of all parties.</p> <p>1. Confirm Council support for the establishment of the Rhonda Hardy Memorial Scholarship and associated funding mechanism.</p>		

2. In consultation with the Selection Committee, that the CEO develop a CEO Directions (procedure) to provide internal guidance on the administration of this Memorial Scholarship.

26.

Risk: Monitoring recipients’ performance in line with the scholarship agreement.		
Consequence	Likelihood	Rating
Moderate	Possible	Medium
Action/Strategy		
<p>1. The Selection Committee, develop a monitoring program to track successful recipients both within the year of award, and beyond to attempt to quantify the Return on Investment (ROI) showcasing improved leadership and innovation capability and competencies both within the City of Kalamunda (and external to the organisation).</p> <p>2. Audit Memorial Scholarship program as required via an internal audit program.</p>		

CONCLUSION

27.

The establishment of a leadership and innovation scholarship in memory of Rhonda Hardy is considered an appropriate and fitting way to remember Rhonda’s legacy, and to ensure that the significant gains made in the area of both leadership and innovation during her time at the City of Kalamunda continue to be enhanced.

Voting Requirements: Simple Majority

RECOMMENDATION

That Council:

1. NOTE the information in the report on the proposal for establishment of a Scholarship in memory of Rhonda Hardy be received.
2. ESTABLISH the Rhonda Hardy Memorial Scholarship for the City of Kalamunda.
3. NOTE that the financial arrangement (including the establishment of the Rhonda Hardy Memorial Scholarship Reserve) will be included for consideration in the 2024/25 budget.
4. NOTE that a future CEO Directions will be established to provide internal guidance on its administration of this Memorial Scholarship.

5. REQUEST that the Acting CEO on behalf of the City of Kalamunda write to the Hardy Family and advise them of the outcome.

6. NOMINATE two Council Champions, to be part of the Selection Committee, being Councillor _____ and Councillor _____.

10.6.7. Appointment of Acting Chief Executive Officer


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

Previous Items	SCM 2/2024
Directorate	Office of CEO
Business Unit	Office of CEO

File Reference
Applicant
Owner

Attachments	Nil
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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 2031

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 for Council to extend the appointment of an Acting Chief Executive Officer (CEO).

2. Council is responsible for the appointment of the Chief Executive Officer.
3. It is recommended Council approve extension of Acting Chief Executive Officer for the period 31 May to 16 June 2024.

BACKGROUND

4. In accordance with Section 5.39C of the Act, if the CEO is absent from the workplace for periods of leave less than twelve months, Council is required to appoint an Acting CEO.

DETAILS AND ANALYSIS

5. The City has undertaken a recruitment process for a new CEO.
6. The new CEO was appointed at a Special Meeting of Council on Tuesday 9 April 2024. (OCM 32/2024)
7. The CEO will take up the role at the City on 17 June 2024.
8. Current arrangements for the Acting CEO finish on 30 May 2024.

APPLICABLE LAW

9. *Local Government Act 1995 Section 5.36.*

APPLICABLE POLICY

10. Governance 18 – Appointment of Acting Chief Executive Officer.

STAKEHOLDER ENGAGEMENT

11. Nil.

FINANCIAL CONSIDERATIONS

12. There are no financial implications arising from this proposal there is sufficient accrued leave.

SUSTAINABILITY

13. N/A

RISK MANAGEMENT

14.

Risk: Council does not appoint an Acting CEO		
Consequence	Likelihood	Rating
Major	Unlikely	Medium
Action/Strategy		
Advise Council that it is a requirement of the Local Government Act 1995 to appoint a CEO		

CONCLUSION

15. Nil.

Voting Requirements: Simple Majority

RECOMMENDATION

That Council EXTEND the current appointment of the Acting Chief Executive Officer, Nathan Ritchie, for the period 31 May 2024 to 16 June 2024.

10.6.8. High Wycombe Community Hub: Award of Design Services Tender RFT2310

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

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."*

Previous
Items
Directorate Office of CEO
Business Unit Strategic Projects
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

Provided under separate cover.


10.6.9. Property Matter - Outcome of Due Diligence Investigations for Land Acquisition

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

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."*

Previous Items	OCM 194/2023
Directorate	Development Services
Business Unit	Strategic Planning
File Reference	
Applicant	N/A
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

Provided under separate cover.

- 11. Motions of Which Previous Notice has been Given**
- 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**
ROSCMC - Minutes – 020524
Public Agenda Briefing Forum Notes 14 May 2024
- 17. Closure**