
Shire of Kalamunda

Corporate and Community Services Committee

Minutes for 10 April 2012

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MINUTES

1.0 OFFICIAL OPENING

1.1 The Chairman opened the meeting at 6.30pm and welcomed Councillors and Staff.

2.0 ATTENDANCE, APOLOGIES AND LEAVE OF ABSENCE PREVIOUSLY APPROVED

2.1 Attendance

Councillors

Donald McKechnie	(Shire President)	North Ward
Sue Bilich		North Ward
Margaret Thomas		North Ward
Allan Morton	(Deputy Shire President)	South West Ward
Justin Whitten		South West Ward
Geoff Stallard		South East Ward
John Giardina		South East Ward
Bob Emery		North West Ward
Martyn Cresswell	(Chairman)	North West Ward
Dylan O'Connor		North West Ward

Members of Staff

James Trail	Chief Executive Officer
Andrew Fowler-Tutt	A/Director Development and Infrastructure
Rhonda Hardy	Director Corporate and Community Services
Darrell Forrest	Manager Governance
Darren Jones	Manager Community Development
David Tomlinson	A/Manager Development Services
Eddie Piper	A/Accountant
Peter Hayes	Manager Business and Strategy
Michelle Clark	Executive Assistant
Meri Comber	Governance Officer

Members of the Public Nil

Members of the Press Nil

2.2 Apologies

Councillors

Noreen Townsend	South West Ward
Frank Lindsey	South East Ward

2.3 Leave of Absence Previously Approved

Nil.

3.0 PUBLIC QUESTION TIME

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

3.1 Nil.

4.0 PETITIONS/DEPUTATIONS

4.1 Nil.

5.0 APPLICATIONS FOR LEAVE OF ABSENCE

5.1 Nil.

6.0 CONFIRMATION OF MINUTES OF PREVIOUS MEETING

6.1 That the Minutes of the Corporate and Community Services Committee Meeting held on 12 March 2012 are confirmed as a true and accurate record of the proceedings.

Moved: **Cr Margaret Thomas**

Seconded: **Cr Donald McKechnie**

Vote: **CARRIED UNANIMOUSLY**

7.0 ANNOUNCEMENTS BY THE PERSON PRESIDING WITHOUT DISCUSSION

7.1 Nil.

8.0 MATTERS FOR WHICH MEETING MAY BE CLOSED

8.1 **Item 31. Land Asset Assessment – Acquisition of Reserve 31117 Headingly Road Kalamunda** - Provided under separate cover.

Reason for Confidentiality - *Local Government Act 1995*: Section 5.23(2) (e)(ii), "information that has a commercial value to a person".

8.2 **Item 32. Lots 49 and 15401 Elmore Way, High Wycombe – Legal Agreement** – provided under separate cover.

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

9.0 DISCLOSURE OF INTERESTS

9.1 Disclosure of Financial and Proximity Interests

- a. Members must disclose the nature of their interest in matters to be discussed at the meeting. (Sections 5.60B and 5.65 of the *Local Government Act 1995*.)
- b. Employees must disclose the nature of their interest in reports or advice when giving the report or advice to the meeting. (Sections 5.70 and 5.71 of the *Local Government Act 1995*.)

9.1.1 Nil.

9.2 Disclosure of Interest Affecting Impartiality

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

9.2.1 **Item 32. Lots 49 and 15401 Elmore Way, High Wycombe – Legal Agreement** – provided under separate cover.

Cr John Giardina disclosed an Interest Affecting Impartiality as he has a personal friendship with the applicant.

10.0 REPORT TO COUNCIL

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

Declaration of financial / conflict of interests to be recorded prior to dealing with each item.**24. Creditors' Accounts Paid During the Period 27 February to 28 March**

Previous Items	N/A
Responsible Officer	Director Corporate and Community Services
Service Area	Finance
File Reference	FI-CRS-002
Applicant	N/A
Owner	N/A
Attachment 1	Creditor Payments during the period 27 February to 28 March 2012

PURPOSE

1. To receive creditors' accounts paid during the period 27 February to 28 March 2012 (Attachment 1).

BACKGROUND

2. It is a requirement of the *Local Government (Financial Management) Regulations 1996 (Regulation 12)* that a list of Creditors' Accounts paid is compiled each month.
3. The report is required to show payee's name, the amount of the payment, the date of the payment, and sufficient information to identify the transaction.

DETAILS

4. Accordingly, the list of creditors paid during the period 27 February to 28 March 2012 (Attachment 1).

STATUTORY AND LEGAL IMPLICATIONS

5. Nil.

POLICY IMPLICATIONS

6. Nil.

PUBLIC CONSULTATION/COMMUNICATION

7. Nil.

FINANCIAL IMPLICATIONS

8. Nil.

STRATEGIC AND SUSTAINABILITY IMPLICATIONS

Strategic Planning Implications

9. *Shire of Kalamunda Strategic Plan 2009 - 2014*
- | | | |
|----------|-------|--|
| Strategy | 5.5.2 | Provide financial services to support Council's operations and to meet sustainability planning, reporting and accountability requirements. |
|----------|-------|--|

Sustainability Implications

Social Implications

10. Nil.

Economic Implications

11. Nil.

Environmental Implications

12. Nil.

OFFICER COMMENT

13. Nil.

A Councillor asked for assurance that works will now be kept under control when employing panel contractors and that staff know exactly what these contractors are doing. He asked if the Shire had just one company carrying this out the electrical audit. This question was taken on notice.

A Councillor requested that from time to time a new contractor be asked for a price. The Manager Governance noted that if the work to be carried out as was taken to tender, then the Shire is duty bound to have the work carried out by the first name on the panel; he noted that the process used by the Shire of Kalamunda now complies with the legislation – but had not in the past as contractors were not previously ranked.

Councillors queried if the panel tender process was simply on an hourly rate or are materials also included, they also queried if there was a schedule of charges for common items. This was taken on notice, the Chief Executive Officer responded that Councillors would be notified as to what was included in the Tender Process by next week.

COMMITTEE RECOMMENDATION TO COUNCIL (C&C 24/2012)

That Council:

1. Receives the list of creditors paid during the period 27 February to 28 March 2012 (Attachment 1) in accordance with the requirements of the *Local Government (Financial Management) Regulations 1996 (Regulation 12)*.

Moved: **Cr Donald McKechnie**

Seconded: **Cr Margaret Thomas**

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

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

25. Monthly Financial Statements for the Eight Months to 29 February 2012

Previous Items	N/A
Responsible Officer	Director Corporate and Community Services
Service Area	Finance
File Reference	FIR-SRR-006
Applicant	N/A
Owner	N/A
Attachment 1	<p>Statements of Financial Activity for the eight months to 29 February 2012 incorporating the following:</p> <ul style="list-style-type: none"> • Statement of Comprehensive Income by Program • Statement of Comprehensive Income by Nature and Type • Rate Setting Statement • Statement of Financial Position • Statement of Equity • Statement of Cashflows • Schedule of Reserve Accounts Balances

PURPOSE

1. To provide Council with financial reports on the activity of the Shire of Kalamunda with indications of performance against adopted budget.

BACKGROUND

2. The attached Statement of Financial Activity, incorporating various sub-statements, has been prepared in accordance with the requirement of the *Local Government Act (1995)*, *Local Government (Financial Management) Regulations 1996* (Regulation 34).

DETAILS

3. The *Local Government Act (1995)* requires Council to adopt a percentage or value to be used in reporting variances against Budget. Council adopted on 25 July 2011 the reportable variances of 5% or \$5,000 whichever is greater.
4. The adopted percentage on value is applied at Program level and where applicable for the commentary and detail is provided.

Financial Commentary

Statement of Comprehensive Income by Nature and Type for the Eight Months to 29 February 2012

5. This Statement reveals a net result of a surplus of \$14,983,551 against a revised Budget for the same period of \$11,161,125.

Revenue

6. Total Revenue is over budget by \$425,559. This is made up as follows:
7. Rates: Overall rates are slightly over budget by \$24,980. This is partly due to completion of catch up of interim rating which began in January. Interim rates of \$238,161 were raised in February. This process is now substantially completed and only normal schedules will be processed from now on.
8. Operating Grants and Donations, including reimbursements, are higher than budget by \$327,706. Approximately \$179,000 had been mis-coded to fees and charges which has now been corrected in the month. The key areas showing higher actuals are HACC by \$188,000 and Engineering works construction \$60,000, however, they are considered to be timing issues only.
9. Fees and Charges are higher by \$215,533 taking into account the above mentioned correction. The key areas showing higher revenues are:
- Hire of community halls by \$31,000;
 - Community Care by \$89,000 mainly in the area of HACC; and
 - Planning and Building services by \$133,000.
10. Interest earnings are under budget by \$67,496, which is the result of greater use of the online saver account rather than term deposits, as cashflow profiling has been difficult. This has also been contributed by an over estimation based on previous years cash holdings which are much lower this financial year. The budget has been revised in the mid-year budget review.
11. Other revenue is below budget by \$73,164 of which \$65,000 is from the area of Development Services for fines and penalties. A claim for such a case has been passed in favour of the Shire in the amount of \$120,000, however the receipt of these monies is dependent on Fines and Enforcement Registry enforcing the claim and recovering the funds.

Expenditure

12. Total expenses are under budget by \$1,182,334 summarised as follows:
- "Materials and Contracts" of \$1,269,131 in various operational units which is mainly a timely difference. Key areas are maintenance, land development charges and IT expenses;
 - "Utilities" by \$292,561 which is mainly due to billing issues with Synergy

however an early analyses shows some savings which will be applied in the budget review.

- “Employment Costs” are higher by \$212,495 as a result of :
 - some redundancy payments were still being made
 - ten months of FBT expenses worth approximately \$250,000 have now been booked;
 - There were three pays in February.

This line is expected to normalise in March.

13. The interest expense is slightly higher than budget due to interest now being accrued monthly in accordance with best practice accrual accounting conventions. Reconciliation with WATC loan schedules is being done and any differences will be normalised in March.

14. Depreciation, although a non-cash cost, is tracking \$207,308 above budget, an analyses is underway to find out whether the charge is correctly stated.

Non-Operating Grants

15. Non-Operating Grants are under budget by \$1,013,339. This is considered to be a timing matter with non-recurrent expenditure yet to happen.

Profit on Asset Disposals

16. The profit on disposal of assets, principally

- Welshpool Rd development 20 lots have been realised,
- 21 Andrews Street and
- 43 Boonooloo Road

has exceeded budget expectations significantly with a profit as of end of February \$4,909,783. The budget will be amended in upcoming mid-year review after ensuring all costs have been booked.

Statement of Comprehensive Income by Program for the Eight Months to 29 February 2012

17. The overall results comments are as above and generally each Program is within accepted budget variances except for Community Amenities which is out by \$3,379,153 as a result of the budget for profit on sale of properties understated by \$3,236,887. This will be corrected as part of the mid-year budget review.

Rate Setting Statement for the Eight Months to 29 February 2012

18. This Statement compares the actual to date with the Annual Budget.

19. The results to 29 February 2012 reveal a surplus of \$10.809 million, however there is considerable Capital Expenditure to be undertaken with approximately \$7.85 million still outstanding.

20. The issue of significant concern is the Kalamunda Water Park which has run over budget. The project scope and costs were subject to a forensic audit to better understand why the overrun has occurred and the findings of the audit will be reported to the Audit Committee in April 2012.
21. Net transfers to/from Reserves has increased by \$2.078 million with a closing balance of \$4,806 million available. The current balance needs to be reconciled back to the land developments sold and correct costings brought to account. This will be done in March and appropriate corrections made.

Statement of Financial Position as at 29 February 2012

22. This Statement formally known as the "Balance Sheet" reveals the current situation of \$11,822,179 less the following restricted cash assets:

• Loan – Equipment	\$1,150,000
• Reserve Accounts	\$4,806,995
• Unspent Grants (Est)	\$2,000,000
	<u>\$7,956,995</u>

23. As Elected Members are aware, the premise behind the Budget is the Sale of Land and the use of part of these funds to fund the previous year (2010/2011) deficit of \$1,481,865. As at 29 February 2012, the cash flow position of the Shire was as follows:

Unrestricted Cash (Estimated)	\$2,383,319
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24. Further Current Assets which would generate additional cash holdings are:

Rates Debtors	\$2,300,000 (Est)
Other Debtors (including grants)	\$7,000,000 (Est)

Thus giving a theoretical cash holding of \$11,683,319 which would be required to fund future works and services if the Shire can realise these cash assets.

25. An estimate of the position as at 30 June 2012 is as follows

Cash as above	\$11,683,319
Further Income (Grants etc)	\$2,000,000
Profit on Sale of Land net of costs (Est)	\$4,400,000
Lifting of Restriction of Cash (Loans)	\$1,150,000
	<u>\$19,233,319</u>

26. This would be required to pay the following estimated expenses:
- | | |
|---|---------------------|
| Operating Expenses | \$16,449,329 |
| Less Non Cash (Depreciation) | <u>\$2,992,992</u> |
| | \$13,456,337 |
| Capital Expenditure (Est) | <u>\$7,850,000</u> |
| | \$21,306,337 |
| Less Budget Adjustments | |
| Deferred Works (Est) | \$1,150,000 |
| Other Adjustments and potential savings (Est) | <u>\$1,250,000</u> |
| | <u>\$18,906,337</u> |
27. It can be seen from the above that, although the Shire will be in a positive cash position. However, if the grants budgeted are not received in full, this will have an impact on the cash flow. Further, if any budget overruns or unexpected issues arise, this will also have an impact on the above forecast figures expenditure.
28. The recent organisational restructuring will alleviate some of this pressure, but it is likely that further reductions in projects will be required to be identified in the mid-year budget review to ensure that we have a buffer against the issues outlined above.

STATUTORY AND LEGAL IMPLICATIONS

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

POLICY IMPLICATIONS

30. Nil.

PUBLIC CONSULTATION/COMMUNICATION

31. Nil.

FINANCIAL IMPLICATIONS

32. Nil.

STRATEGIC AND SUSTAINABILITY IMPLICATIONS

Strategic Planning Implications

33. *Shire of Kalamunda Strategic Plan 2009-2014*
- | | | |
|----------|-------|--|
| Strategy | 5.5.2 | Provide financial services to support Council's operations and to meet sustainability planning, reporting and accountability requirements. |
|----------|-------|--|

Sustainability Implications

Social Implications

34. Nil.

Economic Implications

35. Nil.

Environmental Implications

36. Nil.

OFFICER COMMENT

37. All comments are contained within the "Details" area of this report.

COMMITTEE RECOMMENDATION TO COUNCIL (C&C 25/2012)

That Council:

1. Receives the monthly financial statement which comprises the Statement of Financial Position, Equity Statement, Statement of Comprehensive Income by Nature and Type, Statement of Comprehensive Income by Program, Rate Setting Statement and Reserve Balances Statement for the period ending 29 February 2012.

Moved: **Cr Margaret Thomas**

Seconded: **Cr Donald McKechnie**

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

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

26 Debtors and Creditors Reports for the Period Ended 29 February 2012

Previous Items	N/A
Responsible Officer	Director Corporate and Community Services
Service Area	Finance
File Reference	FI-CRS-002
Applicant	N/A
Owner	N/A
Attachment 1	Summary of Debtors for the period ended 29 February 2012
Attachment 2	Summary of Creditors for the period ended 29 February 2012

PURPOSE

1. To receive a monthly report on debtors and creditors.

BACKGROUND

2. Attached are the reports detailing aged Debtors (Attachment 1) and Creditors (Attachment 2) as at 29 February 2012.
3. Council has requested reports detailing outstanding debtors and creditors on a monthly basis.

DETAILS

Debtors

4. Particular items affecting the outstanding balances are:
 - 90+ days
 - Attorney General's Office - CCTV Installation payment pending completion of Audit process.
 - Forrestfield United Soccer Club - Reserve Hire and Loan Payments.
 - Main Roads WA - Road Project Grants for Multiple Roads and Speed Cushion Installation for multiple roads.

Creditors

5. Payments totalling \$4,132,343.09 were made during the month of February
6. Standard payment terms are 30 days from the end of month, with local business and contractors on 14 day terms.

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7. Invoices showing as outstanding for more than 60 and 90 days are the result of the original invoice documentation not being received by Finance.
 8. All contractors, trades and suppliers are advised of the Shire's preference to pay by Electronic Funds Transfer ("EFT") for efficiency and cost savings.
 9. The amount due as at end of February compares to the previous years balance outstanding of \$617,118.

STATUTORY AND LEGAL IMPLICATIONS

10. Nil.

POLICY IMPLICATIONS

11. Nil.

PUBLIC CONSULTATION/COMMUNICATION

12. Nil.

FINANCIAL IMPLICATIONS

13. Nil.

STRATEGIC AND SUSTAINABILITY IMPLICATIONS

Strategic Planning Implications

14. *Shire of Kalamunda Strategic Plan 2009 - 2014*
Strategy 5.5.2 Provide financial services to support Council's operations and to meet sustainability planning, reporting and accountability requirements.

Sustainability Implications

Social Implications

15. Nil.

Economic Implications

16. Nil.

Environmental Implications

17. Nil.

OFFICER COMMENT

18. The Forrest Field United Soccer Club has honoured their commitment and made a lump sum payment as agreed and submitted an escalated payment plan as agreed.

COMMITTEE RECOMMENDATION TO COUNCIL (C&C 26/2012)

That Council:

1. Receives the outstanding debtors (Attachment 1) and creditors (Attachment 2) reports for the period ended 29 February 2012.

Moved: **Cr Margaret Thomas**

Seconded: **Cr Justin Whitten**

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

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

27. Rates Debtors Report for the Period Ending 29 February 2012

Previous Items	N/A
Responsible Officer	Director Corporate and Community Services
Service Area	Finance
File Reference	FI-DRS-004
Applicant	N/A
Owner	N/A
Attachment 1	Summary of Outstanding Rates for the period ended 29 February 2012

PURPOSE

- To receive a report on rates debtors for the period ending 29 February 2012.

BACKGROUND

- Attached is the report detailing rates debtors for the period ending 29 February 2012 (Attachment 1).

DETAILS

Rates Instalment 2011/2012

3.	Total Rates & Services outstanding	\$3,222,697
	Rates paid in Advance	\$190,021
	Less Deferred Rates	(\$386,799)

	TOTAL OUTSTANDING	\$3,025,919

Legal Action 2010/2011

- Debt recovery for 2010/2011 outstanding rates has now progressed to the Land Warrant stage. Unpaid or returned Property Seizure and Sale Orders will now be submitted to Council for authorisation.
- Land Warrants can only be issued if three years or more rates remain unpaid – (per *The Local Government Act 1995* Section 6.64-6.75).
- There are currently ten Property Seizure & Sale orders with the Bailiff's Office – which have not been finalised or 'returned' as uncollectable.

STATUTORY AND LEGAL IMPLICATIONS

- Nil.

POLICY IMPLICATIONS

8. Nil.

PUBLIC CONSULTATION/COMMUNICATION

9. Nil.

FINANCIAL IMPLICATIONS

10. Nil.

STRATEGIC AND SUSTAINABILITY IMPLICATIONS

Strategic Planning Implications

11. *Shire of Kalamunda Strategic Plan 2009 - 2014*
Strategy 5.5.2 Provide financial services to support Council's operations and to meet sustainability planning, reporting and accountability requirements.

Sustainability Implications

Social Implications

12. Debt collecting processes contain the risk of negative publicity for the Shire.

Economic Implications

13. Effective collection of all outstanding debtors leads to enhanced financial sustainability for the Shire.

Environmental Implications

14. Nil.

OFFICER COMMENT

15. Final notices will be going out in March on all overdue balances after the last instalment due date of 8 March 2012 is past.

COMMITTEE RECOMMENDATION TO COUNCIL (C&C 27/2012)

That Council:

1. Receives the rates debtors report for the period ended 29 February 2012 (Attachment 1).

Moved: **Cr Margaret Thomas**

Seconded: **Cr Justin Whitten**

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

Eddie Piper left the meeting at 6.38pm following the vote on this item.

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

28. Building Act 2011 and Implications to the Shire

Previous Items	N/A
Responsible Officer	Director Development & Infrastructure Services
Service Area	Director Development & Infrastructure Services
File Reference	LE-ACT-005
Applicant	N/A
Owner	N/A
Attachment 1	Scale of Fees for a Certifying Service
Attachment 2	Building Regulation 2012 Fees

PURPOSE

1. To provide advice on how the *Building Act 2011* will impact on the operations of the Shire and the provision of a Certification Service to the public.

BACKGROUND

2. The *Building Act 2011* and *Building Regulations 2012* came into operation on 2 April, 2012, after a number of delays. This Act in essence replaces the building control function of the *Local Government (Miscellaneous Provisions) Act 1960* and the *Building Regulations 1989*, and will affect the whole of the State. The Act covers all building related matters, introduces Permit Authorities, Private Certification for Design and Building Compliance and streamlines the building approval and compliance process.
3. The proposal for a dedicated Building Act for Western Australia was first discussed in the early 1990's. The new Building Act is a result of stakeholder research throughout this long period and is largely modelled on the Victorian Building Act. The new legislation abolishes the Builders' and Painters' Registration Boards, the Building Surveyors Qualifications Committee, and the Building Dispute Tribunal and replaces them with a more streamlined and integrated system under the control of the Building Commission.
4. The *Local Government Act 1995* allows for the establishment of a business unit to undertake a commercial enterprise. If one was established it would permit the Shire to compete against the private sector in design, construction and building compliance certification, of all classes of buildings.

DETAILS

5. Building applicants now have the choice of whether they use the services of a private practicing Registered Building Surveyor or their local government authority in obtaining a Certificate of Design Compliance. Applications that have been certified privately will now be called Certified Applications and those Class 1a (single residential), and Class 10 (minor structures) submitted

to the local authority for a Certificate of Design Compliance will be termed as being Un-Certified.

6. The *Building Act 2011*, (the Act), requires that Building Surveyors who wish to engage in the certification of building design, must hold formal qualifications and be registered with the Building Commission as Level 1, Level 2, or Building Technician. The Level of registration determines what types of buildings that registered practitioner can certify. This also affects local government in that the staff it employs to undertake Building Surveying services must also be suitably qualified.
7. One of the major changes and implications to local government is the introduction of the privatisation of the Building Surveying function that has previously been provided by local government. Local government are restricted to being the Permit Issuing authority, providing a Certificate of Design Compliance for Class 1a & 10 buildings, and compliance. Whereas, Private Registered Building Surveyors can issue Certificates of Design Compliance for all classifications of buildings and undertake a wide range of compliance inspections.
8. The Act requires that the Shire be a permit issuing authority for building works within the Shire. The Act does not mandate the Shire provide a building surveying service to its community, however if it does the staff it employs to undertake this function and issue a Certificate of Design Compliance are to be suitably qualified. Currently only the Principal Building Surveyor is qualified and is a Building Commission Registered Level 1 Building Surveyor. The ramifications of this is that should the Principal Building Surveyor be on leave for any period, a suitably qualified Registered Building Surveyor will need to be engaged to issue the Certificate of Design Compliance prior to any Un-certified building application permits being issued. The issuance of the actual Permit can be delegated to any staff member, as this is a clerical and non-technical function.
9. One of the principal aims of the Act is to streamline the approval process and places a greater onus on the applicant to provide the correct information for the application to be processed. The Act also mandates strict timeframes for the local authority to process and issue a permit. Staff have 10 working days in which time to process and issue a permit for a Certified Application and 25 working days for an Un-Certified application.
10. If during the processing of the application it is found that more information is required, the Shire will only be permitted to make one request for this information, the applicant has 21 days to provide this information. If after the 21 days the information is not received the application is deemed refused and the applicant has to reapply and re-pay the appropriate application fee. If, however the Shire is unable to process and issue the application within the mandated timeframes, the application fee is refunded and the Shire still has to complete the processing and issue a permit.

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11. Applicants submitting a Certified Application will have to have obtained all other Statutory approvals prior to lodgement of their building application these may include as example:
 - Planning Development Approval.
 - Health Services and or the Health Department of WA.
 - Engineering Services.
 - Water Corporation.
 - Heritage.
 - FESA.
 12. Many applications for Class 1 and 10 buildings traditionally require an application for dispensation to be determined and or may also require an application for the installation of their effluent disposal system. These aspects of the application can take quite some time to determine so will be required to be submitted separately and determined prior to the lodgement of any Un-certified building application.
 13. Currently the Shire has a Memorandum of Understanding (MOU), with the Shires of Brookton and Pingelly for the provision of Building Surveying Services. Under the provisions of the Act this function can be maintained with the Shire processing their applications and issuing a Certificate of Design Compliance and the individual Shires issuing the Permit. The only constraint will be that time may be lost between the date of signing the Certificate of Design Compliance by staff and the staff of Brookton and Pingelly Shires signing the Permit.
 14. The *Local Government Act 1995* permits a local government to establish a commercial enterprise providing that it does not inappropriately duplicate a service provide publically or privately. With this in mind, the Shire could provide a certifying service to the public. A scale of fees are suggested (Attachment 1), that if approved will require to be advertised. If supported suitably qualified staff resources would need to be maintained so as adequately provided this service.
 15. If a private individual wishes to engage the services of the Shire to provide a certification service and issue a Certificate of Design Compliance for them, the Shire would become a contractor under contract to that individual. The Building Surveyor who issues the Certificate of Design Compliance cannot be associated with the building owner. This includes Shire owned buildings. To do so would be a conflict of interest.
 16. Ultimately how the Building Act will impact on the operations of the Shire is yet to be fully realised, but it is anticipated that income from Building permits will be affected.
 17. To gauge the financial impact, an exercise was undertaken based on building application numbers and income from the building application fees for the Financial Year 2010/2011. Using an estimated 10% private certification of Class 1a and 10 buildings and 100% private certification of Class 2-9 buildings
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it was estimated that the annual income would be reduced by \$30,487.

18. The new *Building Regulations 2012* however, establishes a new Schedule of Fees, (Attachment 2) and twelve (12) new application fees for certificates and or permits have now been introduced which will directly affect income.

STATUTORY AND LEGAL IMPLICATIONS

19. Section 3.18 of the *Local government Act 1995* – requires a local government authority to keep under review the question of duplication and its appropriateness in relation to the services it provides.
20. Section 3.59 of the *Local Government Act 1995* – provides scope for the local government authority to establish a business unit.
21. Section 6.12 of the *Local Government Act 1995* – the power of a local government to defer, grant discounts, waive or write of debt.
22. Section 6.16 of the *Local Government Act 1995* – a local government can impose fees and charges during the year.
23. Section 6.17 of the *Local Government Act 1995* – Setting the level of fees and charges. A local government is required to consider the cost of providing a service, the importance to the community, and the price of providing the service from an alternative source or supplier.
24. Section 6.19 of the *Local Government Act 1995* – Local government to give notice of fees and charges. If fees and charges are adopted at a time other than the adoption of the annual budget, local public notice of the intention to charge fees must be given. As the Shire has MOU's with the Shires of Brookton and Pingelly notice may be required in their local papers.
25. *Building Regulations 2012* – Schedule 2 Fees. Statutory application fees set for applications, permits, and certificates.
26. *Building Act 2011* – the Act under which building control is now governed.

POLICY IMPLICATIONS

27. Repeal old Delegation Policies and create new Delegation Policies. Refer separate Report to Council regarding delegations.

PUBLIC CONSULTATION/COMMUNICATION

28. Public notification required for any fee imposed by the Shire that is not a Statutory Fee, (in this case the cost of undertaking Certification and Compliance), in Local papers, libraries and the Administration Building. As these scale of fees will affect the Shire's of Brookton and Pingelly it is suggested that these also be advertised within those districts.

FINANCIAL IMPLICATIONS

29. The period prior to the end of the Financial year will give an indication of any financial variations and likely impacts on 2012/2013 Budget, in particular how the public and builders in general accept the changes under the new legislation.
30. In May 2011, the Shire's then Senior Building Surveyor resigned and one of the Shire's Building Surveyors was promoted to this position. As the Act was originally scheduled to be promulgated in mid-2011, and a loss in revenue was anticipated, the building surveyor's position was not filled so to off-set this anticipated loss. This decision may need to be reviewed if it is found that to continue providing a service to the community in accordance with statutory timeframes, or maintain a private certification service additional staff resources are required.
31. As some of the building control functions, in particular all of the Certified Applications will predominantly go to the private sector there is the potential for a loss of revenue from this source. However, as there is now a greater emphasis on building compliance and an expectation to infringe for non-compliance, an increase in revenue may result.

STRATEGIC AND SUSTAINABILITY IMPLICATIONS

Strategic Planning Implications

32. *Strategic Plan 2009-2014*
- Outcome 5.2 Excellence in customer service and community consultation. By providing a certification service for all classes of buildings the Shire will be meeting our community's expectations of service. While the Building Act mandates maximum timeframes for approvals staff will continually strive to minimise processing and approval times below industry standards.
- Outcome 5.3 Growth in innovative services. Development of a Certification Service will ensure that the Shire is adapting to the changing legislative environment surrounding building control and compliance.
- Outcome 5.4 Diversify revenue and funding sources. The Building Regulations provide fees for statutory services but make no allowances for a fee to undertake a private certification service. The proposed fee structure fills that gap.

Sustainability Implications

Social Implications

33. It is anticipated that the public in general will take a while to adjust to the changes in legislation and the ability to have a choice on who undertakes their application processing function to issue the Certificates of Design Compliance. Whether this will result in time and cost savings to the community has yet to be demonstrated.

Economic Implications

34. It is envisaged that there will be some economic implications to the community. Private practicing Building Surveyors are not constrained by legislative timeframes to provide their Certificates of Design Compliance and this service is a commercial arrangement with fees driven by market force.

Environmental Implications

35. Nil.

OFFICER COMMENT

36. The new Building Act will change the way that local governments will undertake their building service, control, and compliance functions. Whether local government can sustain their current levels of service is unknown. By the Shire of Kalamunda offering a commercially competitive service to supplement the basic service of providing the approvals of Un-Certified applications there is an opportunity to remain sustainable in this regard and continue to service our community in the manner they expect.
37. As the Principal Building Surveyor currently is the only qualified building surveyor to undertake and sign Certificates of Design Compliances, there will be a heavier reliance on contractors to fulfil this function in his absence.
38. The Senior Building Surveyor is in the latter stages of his studies in Building Surveying and will soon be applying to the Building Commission for a Level 2 Building Surveyor registration. Once he has obtained this Level of competence he will be able to issue Certificates of Design Compliance for the majority of the building applications that are received by the Shire.

Councillors debated the Recommendation prior to taking a vote.

COMMITTEE RECOMMENDATION TO COUNCIL (D&I 28/2012)

That Council:

1. Agrees to the Shire offering a Certification Service to the public at commercially competitive rates (Attachment 1).
2. That the proposed scale of fees and charges for undertaking a certification service for Certified Building Applications be approved for advertising (Attachment 2).

Moved: **Cr John Giardina**

Seconded: **Cr Margaret Thomas**

Vote: **For**
Cr John Giardina
Cr Allan Morton
Cr Justin Whitten
Cr Bob Emery
Cr Dylan O'Connor
Cr Sue Bilich
Cr Donald McKechnie
Cr Margaret Thomas
Cr Martyn Cresswell

Against
Cr Geoff Stallard

CARRIED / ABSOLUTE MAJORITY (9/1)

Declaration of financial / conflict of interests to be recorded prior to dealing with each item.**29. Land Asset Assessment – Public Consultation for Portion Reserve 32494 Lincoln Road Forrestfield**

Previous Items	Nil
Responsible Officer	Director Corporate Services
Service Area	Property and Procurement
File Reference	
Applicant	
Owner	
Attachment 1	Land Asset Assessment – Reserve 32494
Attachment 2	Ariel Photograph Reserve 32494
Attachment 3	Concept Plan showing Proposed Subdivision
Attachment 4	Photographs of the Reserve
Attachment 5	Lincoln Reserve - POS Opportunities
Attachment 6	Townscape Improvement Plan for the Edinburgh Road Shopping Centre – Opportunities Plan
Attachment 7	Townscape Improvement Plan for the Edinburgh Road Shopping Centre – Key Issues Plan
Attachment 8	Townscape Improvement Plan for the Edinburgh Road Shopping Centre – Concept Plan

PURPOSE

1. To obtain Council approval to undertake public consultation and thereafter negotiations with the Western Australian State Government for the acquisition of a portion of Reserve 32494 Lincoln Road Forrestfield.

BACKGROUND

2. The Shire's Community Facilities Plan identified Lincoln Road Reserve as a Neighbourhood level park. The Plan estimated an indicative amount of \$348,514 was required for this Reserve to be upgraded to Neighbourhood level. Council also noted the priority order and timeframes for the upgrade of Lincoln Road Reserve as being required by 2019/20.
3. According to the standards developed, Neighbourhood Level Parks can be described as and include the following:
 - Within an 800 metre radius or 10 minute walk of most dwellings.
 - Minimum site area 1 ha (10,000sqm).
 - Street frontage on all sides, maximum 25% of perimeter abutting development.
 - Rectangular in shape and minimum width of 50 metres.

-
- Playground equipment/play space(s) with manufactured and designed elements capable of catering for:
 - 0-3 year olds
 - 3-5 year olds
 - 5-7 year olds
 - 8-12 year olds
 - 12+ years old
 - Designed space for young people incorporating passive and physical activity/play equipment.
 - Outdoor gym/exercise equipment (2 pieces).
 - Include quiet space with shade, views and bench seating.
 - Grassed areas and natural landscaping/elements.
 - Amenities – natural or artificial shade, picnic table/seating, bench seating, BBQ , drinking fountain, lighting, pathways to play/other spaces, walking path, 5 car bays.
 - Public toilets provided if co-located with community centre or sports ground.
4. The development of a District Level Park should include :-
- Involvement by community in the surrounding area in the design of the park.
 - Design elements to reflect the identity and culture of the area.
5. Council in 2011 adopted a Land Asset Management Policy that seeks to offset the costs of local community amenities by rationalising what is assessed to be surplus to requirement land parcels and developing them into small residential subdivisions that can be sold with profits being directed into local community infrastructure in the near vicinity.

DETAILS

6. The Shire has identified an area of approximately 7,000 square metres which could be acquired from Reserve 32494 Lincoln Road in order to create a twelve lot subdivision. *Attachment 1 and Attachment 2 refers.*
7. The proposed subdivision would overlook the balance of the Reserve and would aim to improve the outlook of the area and provide a greater level of passive surveillance.
8. Furthermore it would provide residential dwellings overlooking the reserve, which in turn would improve the utilisation of the reserve through direct access to the Reserve by residents

-
9. Reserve 32494 is a 20A Reserve and therefore the purchase of the Reserve can be negotiated with the State Government at 5% of its value as assessed by the Valuer General
 10. Reserve 32494 is Zoned Urban under the Metropolitan Regional Planning Scheme and Local Open Space under LPS3.
 11. The Shire has developed a concept for the redevelopment of the remainder of the Reserve as shown in *Attachment 5*.

POLICY IMPLICATIONS

12. Policy FAC 25 Land Asset Management applies.

PUBLIC CONSULTATION/COMMUNICATION

13. In order to lodge an application for the acquisition of a 20A Reserve a Local Government must undertake appropriate community consultation to ensure the local community support the proposal. The State Government does not prescribe how the Community consultation is undertaken but it does require a report on what was done to get community support.
14. Quotations have been requested from two Community Consultation and Engagement Consultants to provide a Community Consultation process for this acquisition.
15. It is envisaged that consultation will focus on but will not be limited to a 400 metre radius of residents living in the vicinity of the Reserve.

FINANCIAL IMPLICATIONS

16. Funds are available in the 2011/2012 budget to meet the cost of engaging Hester Property solutions to undertake the negotiation process for the acquisition of a portion of this reserve as well as for community consultation experts to undertake the consultative processes.
17. The Shire will need to budget for the acquisition of the land from the State Government as well as development costs associated with the subdivision in its 2012/2013 budget process.

STRATEGIC AND SUSTAINABILITY IMPLICATIONS

Strategic Planning Implications

18. The acquisition and then sale of these properties will assist in meeting the Shire of Kalamunda Strategic Plan 2009-2014:

Goal 5, Outcome 5.4.2 *Explore all avenues of funding including borrowings and sale of assets*

Goal 1, Outcome 1.3 *The community has access to a diverse range of recreational opportunities.*

19. The Townscape Improvement Plan for the Edinburgh Road Shopping Centre adopted by Council in April 2011 identifies a number of development opportunities for the centre. *Attachment 6, 7 and 8 refers.*
20. Whilst not included in the adopted Townscape Improvement Plan for the Edinburgh Road Shopping Centre Plan, the acquisition and subsequent development of a portion of Lincoln Road Reserve is consistent with the strategic approach outlined in the Townscape Improvement Plan. Any prescribed development will provide opportunities for medium density residential housing which will support the viability of the shopping centre.

Sustainability Implications

Social Implications

21. The benefits that would flow to the community would include improved passive surveillance of the Reserve from the increase density around the Reserve.
22. Increased utilisation of the Reserve by local community given it will be modernised and upgraded with attractive and sought after equipment and amenities.
23. The Reserve is known to experiences ongoing antisocial behaviour and by having new housing overlooking the remaining Reserve and developing the infrastructure in the Park it is believed will assist in alleviating the antisocial issues.
24. The Reserve will be reduced in size which may be of concern to local residents. This issue will be canvassed through a public consultation process.

Economic Implications

25. Through increasing the residential population in any local area assists in stimulating the local economy through increased patronage of local businesses.
26. New residential dwellings generally will lift the value of areas and bring in new families to rejuvenate communities.
27. The sale of the twelve lots created by the acquisition of a portion of the Reserve will provide funding for improved amenities of the area as highlighted in the Forrestfield Townscape Improvement Plan.

Environmental Implications

28. There are no significant environmental implications however there will be a need to remove some of the small trees that currently stand in the area that is being proposed for subdivision. These trees can be offset by the planting of new trees in the remaining area of the Reserve once it is redeveloped.

OFFICER COMMENT

29. The Reserve has a total area of 17,933 square metres with a playground and barbecue area at the South Eastern end.
30. The Reserve is classified as a passive Reserve and is not used for sporting or recreation purposes.
31. It should be noted that whilst Lincoln Road Reserve is not listed in the Communities Facilities Plan as a backlog project, the development being proposed will lend itself to fund raising that will facilitate the early development of Lincoln Road Reserve to a District Level Park.
32. Furthermore, any surplus funding raised from the proposed development can be used to deal with backlog issues at Hartfield Park which was sighted as requiring \$4.5 million of backlog work to be completed.

COMMITTEE RECOMMENDATION TO COUNCIL (C&C 29/2012)

That Council:

1. Notes the Officer's proposal and preliminary concept.
2. Authorises the commencement of the Community Consultation process as is required by the Western Australia State Government as part of the 20A Reserve acquisition process.
3. Requests that the outcome of the community consultation process is reported to Council before lodging the application with the Department for Regional Development and Land.

Moved: **Cr Justin Whitten**

Seconded: **Cr Allan Morton**

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

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

30. Ray Owen Reserve – Kalamunda & Districts Football Club Players Shelters

Previous Items	N/A
Responsible Officer	Director Development & Infrastructure Services
Service Area	Operations
File Reference	GL-08/096A
Applicant	Kalamunda & Districts Football Club
Owner	N/A
Attachment 1	Invoice from Kalamunda & Districts Football Club

PURPOSE

1. To contribute 50% towards the cost of installation of players shelters at Ray Owen Reserve

BACKGROUND

2. In April 2011, Kalamunda & Districts Football Club (KDFC) applied to the former Manager Operations for assistance with the installation of two players shelters at Ray Owen Pavillion.
3. In June 2011 the former Manager Operations advised that the Shire would contribute 50% towards the costs to construct the shelters.
4. There was no budget allocation for the shelters for this in the 2011/12 financial year.

DETAILS

5. The KDFC proceeded with the installation on the basis of the commitment from the former Manager Operations to contribute 50%.
6. The KDFC has written to the Shire asking for the reimbursement of the 50% cost (\$4701.05) see (Attachment 1)

STATUTORY AND LEGAL IMPLICATIONS

7. *Section 6.8 of Local Government Act 1995.*

POLICY IMPLICATIONS

8. Nil.

PUBLIC CONSULTATION/COMMUNICATION

9. Nil.

FINANCIAL IMPLICATIONS

10. The Shire had been requested to pay the invoice for 50% of the cost, being \$4701.05 for which no budgeted was allocated
11. KDFC have an outstanding debt with the Shire of \$5613.49. If Council agree to the contribution, this will be used to offset this balance.

STRATEGIC AND SUSTAINABILITY IMPLICATIONS**Strategic Planning Implications**

12. Nil.

Sustainability ImplicationsSocial Implications

13. Nil.

Economic Implications

14. Nil.

Environmental Implications

15. Nil.

OFFICER COMMENT

16. A commitment was made by a former member of staff, although they did not have authority to commit to unbudgeted expenditure.
17. The club proceeded on the understanding that the Shire would honour this commitment. The shelters have been inspected and are considered to add value to the amenity of the player's facilities at Ray Owen Reserve.

COMMITTEE RECOMMENDATION TO COUNCIL (C&C 30/2012)

That Council:

1. Approves a contribution of \$4701.05 being 50% of the cost of installation of the players' shelters at Ray Owen Reserve.

Moved: **Cr John Giardina**

Seconded: **Cr Geoff Stallard**

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

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

**31. CONFIDENTIAL REPORT – provided under separate cover
Land Asset Assessment – Acquisition of Reserve 31117 Headingly
Road Kalamunda**

Reason for Confidentiality - Local Government Act 1995: Section 5.23(2)
(e)(ii), "information that has a commercial value to a person".

As Councillors did not wish to discuss this item the Chairman did not consider it necessary to go behind closed doors.

COMMITTEE RECOMMENDATION TO COUNCIL (C&C 31/2012)

That Council:

1. Authorise the Chief Executive Officer to commence negotiations for a Freehold Title Exchange with the State Government of Western Australia with respect to the properties at:
8 Lindsay Street Kalamunda and Reserve 31117 Headingly Road Kalamunda.
2. Seek the Minister for Lands' approval to the land exchange of Crown Reserve 31117 Headingly Road, Kalamunda with Council freehold property – Lot 42 (8) Lindsay Street, Kalamunda, and Certificate of title Volume 1699 Folio 878.
3. On completion of the freehold title exchange, the Chief Executive Officer be authorised to dispose of the newly created freehold lot.
4. That a report be presented to Council outlining proposals for the future use of 8 Lindsay Street as a community purpose site.

Moved: **Cr Margaret Thomas**

Seconded: **Cr Bob Emery**

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

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

Cr John Giardina disclosed an Interest Affecting Impartiality as he has a personal friendship with the applicant.

**32. CONFIDENTIAL REPORT – provided under separate cover
Lots 49 and 15401 Elmore Way, High Wycombe – Legal Agreement**

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

As Councillors did not wish to discuss this item the Chairman did not consider it necessary to go behind closed doors.

COMMITTEE RECOMMENDATION TO COUNCIL (C&C 32/2012)

That Council:

1. Advise the applicant that it will accept a revision to the Concept Development Plan in which five (5) parking bays are indicated and that these bays be provided at the applicants cost prior to the release of the cash in lieu funds.
2. Approve the Shire Staff undertaking the construction of the car parking bays upon receipt of the funds from the land owner.
3. Advise the applicant that subsequent to the receipt of the funds for the parking bays noted in 1. above, the Director Development and Infrastructure be authorised to sign off that the provisions of the legal agreement have been generally met in respect to the Public Open Space works.
4. Advise the Western Australian Planning Commission that it reiterates its previous request to the Minister for Planning for the expenditure of cash in lieu funds of \$278,988 under subdivision approval 134818 for Lot 49 (Reserve 47766) Elmore Way, High Wycombe. Further, that it considers that the expenditure can include the water feature on the Public Open Space as it has no restriction to public access.

Moved: **Cr Dylan O'Connor**

Seconded: **Cr Bob Emery**

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

11.0 MOTIONS OF WHICH PREVIOUS NOTICE HAS BEEN GIVEN

11.1 Nil.

12.0 QUESTIONS BY MEMBERS WITHOUT NOTICE

12.1 Cr Morton – Email query

Q. Are Councillors aware that they should treat emails, seemingly coming from Fedex requesting the recipient to check their order with caution?

A. Other Councillors had heard of this scam, all will act with caution regarding these emails should they receive one.

13.0 QUESTIONS BY MEMBERS OF WHICH DUE NOTICE HAS BEEN GIVEN

13.1 Nil.

14.0 URGENT BUSINESS APPROVED BY THE PERSON PRESIDING OR BY DECISION

14.1 Nil.

15.0 MEETING CLOSED TO THE PUBLIC

15.1 As Councillors did not wish to discuss Item 31, Land Asset Assessment – Acquisition of Reserve 31117 Headingly Road, Kalamunda and Item 32, Lots 49 and 15401 Elmore Way, High Wycombe – Legal Agreement the Chairman did not deem it necessary to go behind closed doors.

16.0 CLOSURE

There being no further business, the Chairman declared the meeting closed at 7.06pm.

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

Signed: _____
Chairman

Dated this _____ day of _____ 2012