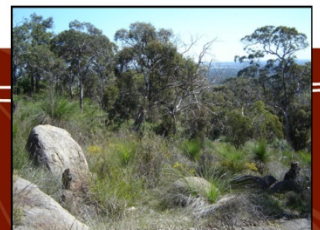


Ordinary Council Meeting

Agenda for Monday 23 September 2013



**shire of
kalamunda**

NOTICE OF MEETING ORDINARY COUNCIL MEETING

Dear Councillors

Notice is hereby given that the next meeting of the Ordinary Council Meeting will be held in the Council Chambers, Administration Centre, 2 Railway Road, Kalamunda on **Monday 23 September 2013 at 6.30pm.**



Rhonda Hardy
Chief Executive Officer
19 September 2013

Our Vision and Our Values

Our Vision

The Shire will have a diversity of lifestyle and people. It will take pride in caring for the natural, social, cultural and built environments and provide opportunities for people of all ages.

Our Core Values

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

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

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

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

Our Aspirational Values

Prosperity – We will ensure our Shire has a robust economy through a mixture of industrial and commercial development.

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

Courage – We take risks that are calculated to lead us to a bold new future.

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

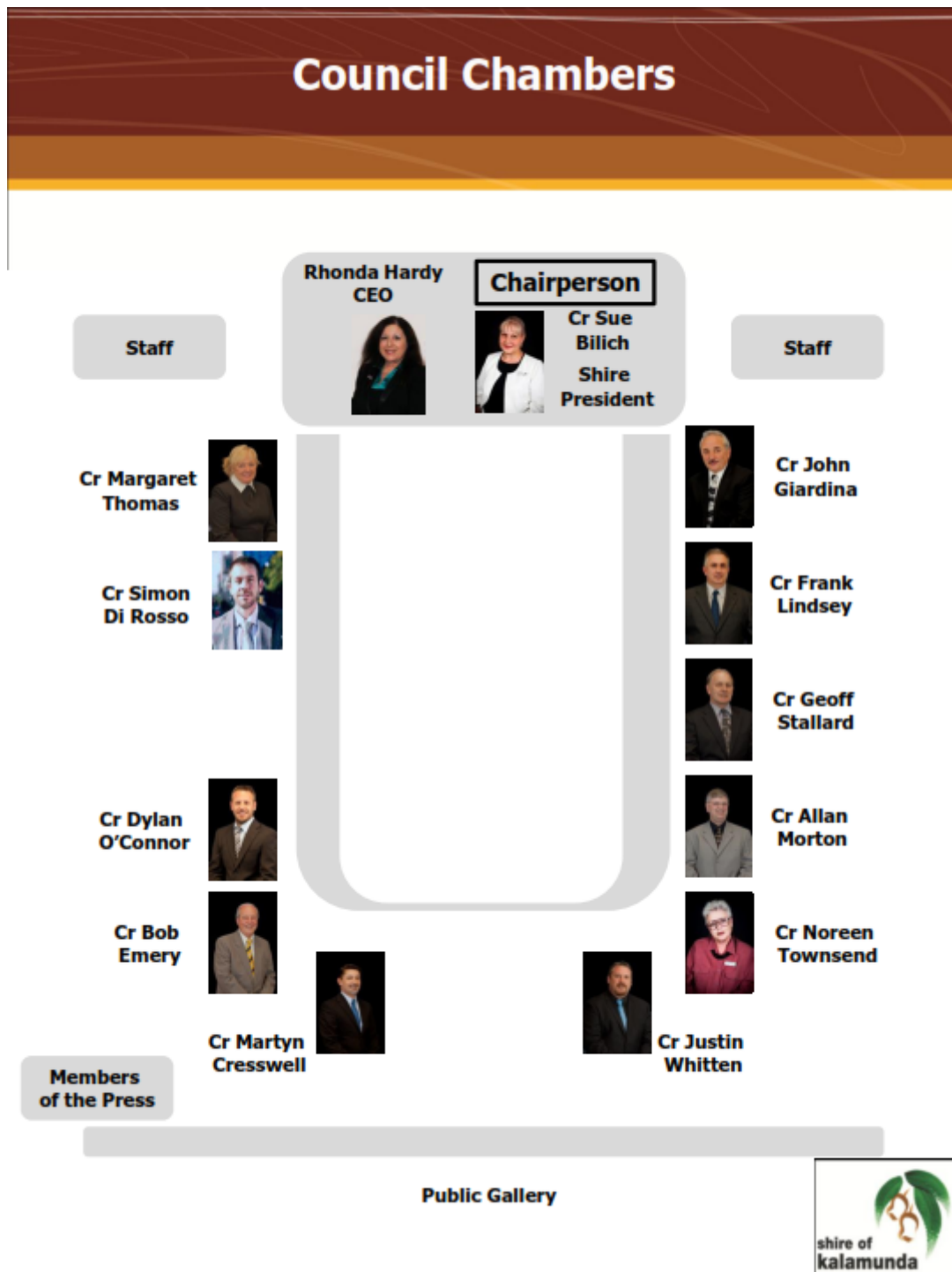


INFORMATION FOR THE PUBLIC ATTENDING COUNCIL MEETINGS

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.

Council Chambers – Seating Layout



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 Shire Staff Member.
3. Members of the public are able to ask questions at an Ordinary Council Meeting during Public Question Time.
4. To facilitate the smooth running of the meeting, silence is to be observed in the public gallery at all times except for Public Question Time.
5. All other arrangements are in general accordance with Council's Standing Orders, the Policies and decision of the Shire or Council.

Emergency Procedures

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

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

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

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

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AGENDA

1.0 OFFICIAL OPENING

2.0 ATTENDANCE, APOLOGIES AND LEAVE OF ABSENCE PREVIOUSLY APPROVED

2.1 Cr Bob Emery, Leave of Absence.

3.0 PUBLIC QUESTION TIME

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

4.0 PETITIONS/DEPUTATIONS

4.1 An Application for a Deputation regarding D&I Item 65, Proposed Place of Worship at Lot 4111 (5) Rooth Road, Lesmurdie has been received from Melanie Eleonora and approved.

5.0 APPLICATIONS FOR LEAVE OF ABSENCE

6.0 CONFIRMATION OF MINUTES OF PREVIOUS MEETING

6.1 That the Minutes of the Ordinary Council Meeting held on 26 August 2013 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 26 August 2013".

6.2 That the Minutes of the Special Council Meeting held on 26 August 2013 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 26 August 2013".

- 6.3 That the Minutes of the Special Council Meeting held on 9 September 2013 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 9 September 2013".

7.0 ANNOUNCEMENTS BY THE PERSON PRESIDING WITHOUT DISCUSSION

8.0 MATTERS FOR WHICH MEETING MAY BE CLOSED

8.1 10.3.4 Information Technology Infrastructure Replacement

(Confidential Attachment 1)

Reason for Confidentiality – Local Government Act 1995: 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".

9.0 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*.)

9.2 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.

10.0 REPORTS TO COUNCIL

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

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

10.1 Development & Infrastructure Services Committee Report

10.1.1 Adoption of Development & Infrastructure Services Committee Report

Voting Requirements: Simple Majority

That recommendations D&I 56 to D&I 68 inclusive, contained in the Development & Infrastructure Services Committee Report of 9 September 2013 except withdrawn item D&I 56, D&I 57, D&I 58, D&I 59, D&I 63, D&I 64, D&I 65 and D&I 67 be adopted by Council en bloc.

Moved:

Seconded:

Vote:

10.1.2 D&I 60 Endorsement of the Local Emergency Management Arrangements

COMMITTEE RECOMMENDATION TO COUNCIL (D&I 60/2013)

That Council:

1. Endorses the Shire of Kalamunda Local Emergency Management Arrangements 2013 ([Attachment 1](#)).

10.1.3 D&I 61 Proposed Modified Local Planning Policy DEV 22 – Parking of Commercial Vehicles on Private Property

COMMITTEE RECOMMENDATION TO COUNCIL (D&I 61/2013)

That Council:

1. Adopts the draft modified Local Planning Policy DEV 22 – Parking of Commercial Vehicles on Private Property and a notice to this effect be placed in a newspaper circulating the District in accordance with clause 2.4 of Local Planning Scheme No. 3 (Attachment 2).

10.1.4 D&I 62 Amendment to Local Planning Scheme No. 3 – Additional Use (Place of Worship) – Lot 36 (831) Welshpool Road East, Wattle Grove

COMMITTEE RECOMMENDATION TO COUNCIL (D&I 62/2013)

That Council:

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

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

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

- (a) Amending Schedule 2 (Additional Uses) by including the following provision:

NO.	DESCRIPTION OF LAND	ADDITIONAL USE	CONDITIONS
50	Lot 36 (831) Welshpool Road East, Wattle Grove	Place of Worship	The uses are not permitted unless approval is granted by the Local Government ("D")

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

10.1.5 D&I 66 Storage of Inert Materials – Lot 1 (251), 20 (259) and 21 (257) Berkshire Road, Forrestfield

COMMITTEE RECOMMENDATION TO COUNCIL (D&I 66/2013)

That Council:

1. Accepts the request from the Applicant to withdraw the item from the Development & Infrastructure Services Agenda of 9 September 2013.

10.1.6 D&I 68 Proposed Developer Contribution Instalment Plan for an Approved Light Industry - Lot 219 (122) Sultana Road West, Forrestfield

COMMITTEE RECOMMENDATION TO COUNCIL (D&I 68/2013)

That Council:

1. Approves the contribution for the approved light industry development at Lot 219 (122) Sultana Road West, Forrestfield, be paid by the landowner as follows:

An amount of \$50,000 prior to the building licence being issued

An amount of \$100,000 being paid in May 2014

The remaining amount owed in October 2014 at the contribution rate applicable at the time payment is made.

For Separate Consideration

Item D&I 56 is withdrawn as some Councillors voted against the Recommendation at the Development & Infrastructure Services Committee Meeting and may wish to vote against the Committee Recommendation at the Ordinary Council Meeting.

10.1.7 D&I 56 Application to Keep More Than Two Dogs – Lot 17 (13) Aralia Way Forrestfield

Voting Requirements: Simple Majority

COMMITTEE RECOMMENDATION TO COUNCIL (D&I 56/2013)

That Council:

1. Pursuant to Clause 3.2 of the Shire of Kalamunda Dogs Local Law 2010 made under Section 26(3) of the *Dog Act 1976*, grant exemption to the applicant at Lot 17 (13) Aralia Way, Forrestfield to keep three dogs on this property.

Moved:

Seconded:

Vote:

Item D&I 57 is withdrawn as some Councillors voted against the Recommendation at the Development & Infrastructure Services Committee Meeting and may wish to vote against the Committee Recommendation at the Ordinary Council Meeting.

**10.1.8 D&I 57 Application to Keep More Than Two Dogs – Lot 100 (50)
Reeds Road, Carmel**

Voting Requirements: Simple Majority

COMMITTEE RECOMMENDATION TO COUNCIL (D&I 57/2013)

That Council:

1. Pursuant to Clause 3.2 of the Shire of Kalamunda Dogs Local Law 2010 made under Section 26(3) of the *Dog Act 1976*, grant exemption to the applicant at Lot 100 (50) Reeds Road Carmel to keep three dogs on this property.

Moved:

Seconded:

Vote:

Item D&I 58 is withdrawn as some Councillors voted against the Recommendation at the Development & Infrastructure Services Committee Meeting and may wish to vote against the Committee Recommendation at the Ordinary Council Meeting.

**10.1.9 D&I 58 Application to Keep More Than Two Dogs – Lot 51 (211)
Glenisla Road, Carmel**

Voting Requirements: Simple Majority

COMMITTEE RECOMMENDATION TO COUNCIL (D&I 58/2013)

That Council:

1. Pursuant to Clause 3.2 of the Shire of Kalamunda Dogs Local Law 2010 made under Section 26(3) of the *Dog Act 1976*, grant exemption to the applicant at Lot 51 (211) Glenisla Road Carmel to keep six dogs on this property.

Moved:

Seconded:

Vote:

Item D&I 59 is withdrawn as some Councillors voted against the Recommendation at the Development & Infrastructure Services Committee Meeting and may wish to vote against the Committee Recommendation at the Ordinary Council Meeting.

**10.1.10 D&I 59 Application to Keep More Than Two Dogs – Lot 1008 (10)
Mandon Street, Forrestfield**

Voting Requirements: Simple Majority

COMMITTEE RECOMMENDATION TO COUNCIL (D&I 59/2013)

That Council:

1. Pursuant to Clause 3.2 of the Shire of Kalamunda Dogs Local Law 2010 made under Section 26(3) of the *Dog Act 1976*, grant exemption to the applicant at Lot 1008 (10) Mandon Street, Forrestfield to keep four dogs on this property.

Moved:

Seconded:

Vote:

Item D&I 63 is withdrawn as some Councillors voted against the Recommendation at the Development & Infrastructure Services Committee Meeting and may wish to vote against the Committee Recommendation at the Ordinary Council Meeting. A drawing showing overshadowing has been circulated to Councillors as requested at the Development & Infrastructure Services Committee Meeting.

**10.1.11 D&I 63 Twelve Multiple Dwellings – Lot 21 (12) Heath Road,
Kalamunda**

Voting Requirements: Simple Majority

COMMITTEE RECOMMENDATION TO COUNCIL (D&I 63/2013)

That Council:

1. Determines that the use is consistent with the objectives of the particular zone and is therefore permitted.
2. Approves the application dated 17 June 2013 to build 12 multiple dwellings at Lot 21 (12) Heath Road, Kalamunda, subject to the following conditions:
 - a. The access way shall be suitably constructed, sealed and drained to the satisfaction of the Shire.
 - b. The crossover shall be designed and constructed to the satisfaction of the Shire.
 - c. Vehicle parking, manoeuvring and circulation areas to be suitably constructed, sealed, kerbed, line marked and drained to the satisfaction of the Shire.

- d. The redundant crossover is to be removed, and the verge and kerbing reinstated to the satisfaction of the Shire.
- e. Balcony screening being maintained by the unit owner/s or the Strata Management Group to the Shire's satisfaction.
- g. The proposed landscaping being planted within 28 days of the proposed development's completion, and maintained thereafter by the landowner (Strata management group) to the satisfaction of the Shire.
- h. A geo-technical report being submitted to and approved by the Shire prior to the building licence being issued.
- i. Stormwater being contained on site to the satisfaction of the Shire.
- j. The applicant making the necessary arrangements for a waste bin contractor to enter the property and service the receptacles from the designated bin storage enclosures.
- k. The external colour and material details of the proposed dwellings being provided to, and approved by the Shire prior to the building licence being issued.
- m. A Construction Management Plan be prepared by the applicant addressing the following, but not limited to:
 - Construction Workers' Parking
 - Material's Delivery and Storage
 - Worker's Toilets

To the satisfaction of the Manager Development Services, prior to the issue of a Building Licence.

Moved:

Seconded:

Vote:

Item D&I 64 is withdrawn as at the Development & Infrastructure Committee Meeting the Director Development & Infrastructure suggested that the length of screening necessary be taken on notice in order that staff could precisely measure where the screening should be placed in order to obscure the bus for the neighbour. The original Officer's Recommendation is now presented with the addition of Point g. and Point h. (highlighted). A new (Attachment 1) is also included in this Agenda.

10.1.12 D&I 64 The Parking of One Commercial Vehicle – Lot 57 (5B) Goodall Street, Lesmurdie

Voting Requirements: Simple Majority

OFFICER'S RECOMMENDATION (D&I 64/2013)

That Council:

1. Approves the retrospective planning application dated 22 July 2013 for William Barnes to continue to park one commercial vehicle, a Bedford Bus (registration number 1CPU 256) at Lot 57 (5B) Goodall Street, Lesmurdie, subject to the following conditions:
 - a. The vehicle must, at all times, be parked in the location shown on the approved site plan (Attachment 1).
 - b. Maintenance and cleaning of the commercial vehicle is only permitted between 8.00am and 6.00pm Monday to Saturday, and 9.00am to 6.00pm on Sundays.
 - c. The vehicle is not to be used for habitation purposes whilst parked on the property.
 - d. Only maintenance of a minor nature, such as servicing or wheel changing, is to be carried out on the subject property between the hours designated in condition b. No panel beating, external spray painting, external welding or the removal of major body or engine parts is permitted.
 - e. The idling time for the start-up and cool down of the vehicle being a maximum of five minutes per day.
 - f. Washing of the commercial vehicle on the subject lot is to be limited to the use of water and mild detergent, but not involve the use of any solvents, degreasing substances, steam cleaning and any other processes which may cause pollution or degradation of the environment.
 - g. The commercial vehicle bus shall be screened from view of the rear of Lot 58 (9) Goodall Street to the satisfaction of the Shire. Such screening can be erected in any location within the hatched area shown in Attachment 6 on the proviso that the required screening is erected within 28 days of the approval and maintained thereafter by the owner.**
 - h. Should the screening required in point "g" not be erected within the prescribed period of time to the Shire's satisfaction then the approval shall lapse.**

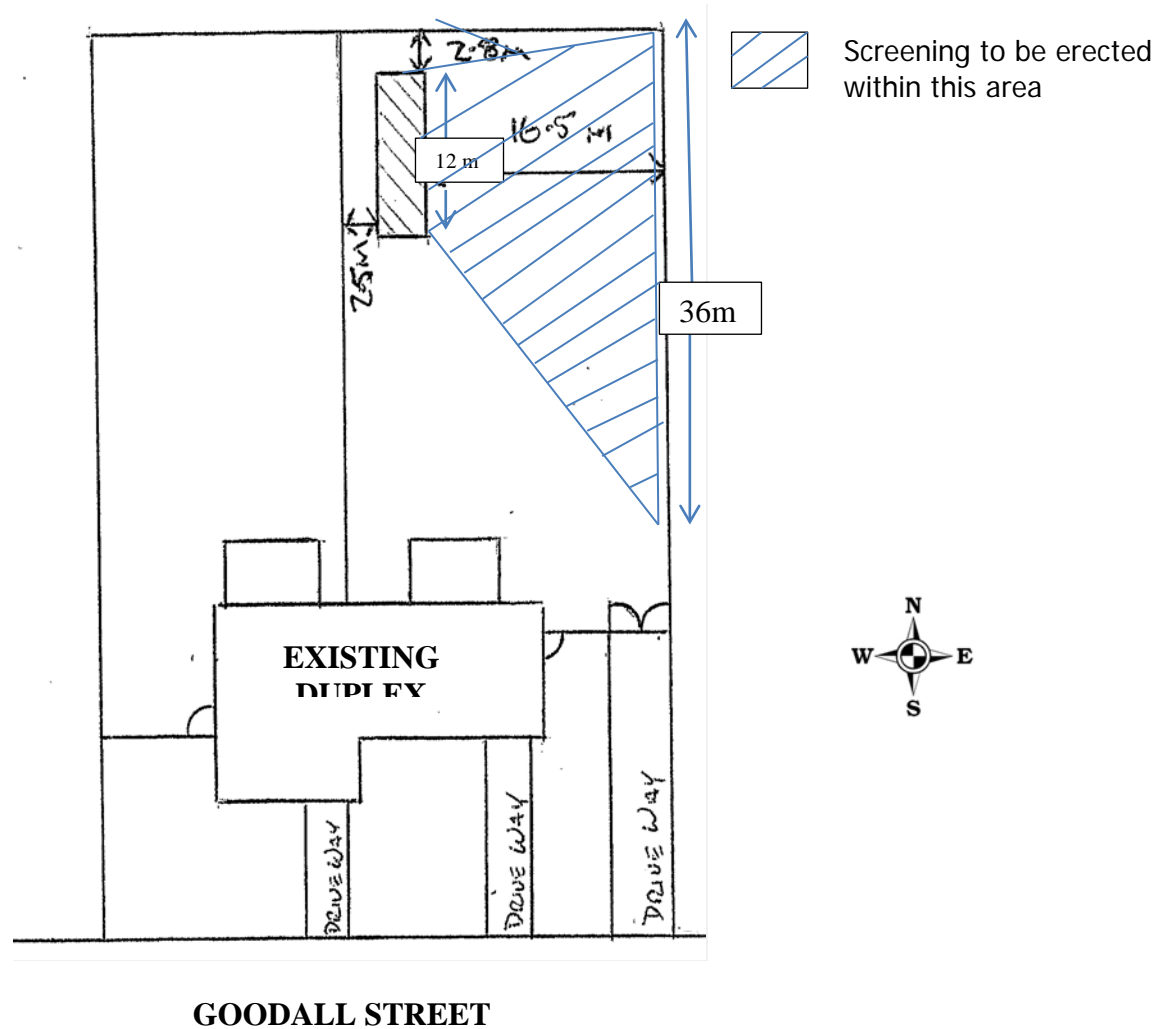
Moved:

Seconded:

Vote:

Attachment 01

The Parking of One Commercial Vehicle
Lot 57 (5B) Goodall Street, Lesmurdie
Site Plan



Item D&I 65 is withdrawn as some Councillors voted against the Recommendation at the Development & Infrastructure Services Committee Meeting and may wish to vote against the Committee Recommendation at the Ordinary Council Meeting.

10.1.13 D&I 65 Place of Worship – Lot 411 (5) Rooth Road, Lesmurdie

Voting Requirements: Simple Majority

COMMITTEE RECOMMENDATION TO COUNCIL (D&I 65/2013)

That Council:

1. Approves the application dated 9 June 2013 to build a place of worship at Lot 411 (5) Rooth Road, Lesmurdie, subject to the following conditions:
 - a. The access way shall be suitably constructed, sealed and drained to the satisfaction of the Shire.
 - b. The crossover shall be designed and constructed to the satisfaction of the Shire.
 - c. Vehicle parking, manoeuvring and circulation areas, except for the overflow area, to be suitably constructed, sealed, kerbed, line marked and drained to the satisfaction of the Shire.
 - d. The overflow car parking area being maintained by the landowner to the satisfaction of the Shire.
 - e. A landscaping plan being submitted to and approved by the Shire prior to the certified building licence being issued.
 - f. The proposed landscaping being planted within 28 days of the proposed development's completion, and maintained thereafter by the landowner to the satisfaction of the Shire.
 - g. A geo-technical report being submitted to and approved by the Shire prior to the building licence being issued.
 - h. Stormwater being contained on site to the satisfaction of the Shire.
 - i. The property not being used for Community Purpose or Club Premises purposes as defined under Local Planning Scheme No. 3.
 - j. An effluent disposal system that complies with the *Health (Treatment of Sewage and Disposal of Effluent and Liquid Waste) Regulation 1974* is to be installed to the Shire's satisfaction.

Moved:

Seconded:

Vote:

Item 67 is withdrawn as information regarding the inspection of the dam was to be confirmed prior to the Ordinary Council Meeting. A memo has been sent to Councillors regarding this and the original Officer Recommendation is submitted again.

10.1.14 D&I 67 Petition to Restore Water Flow to Yule Brook, Forrestfield

Voting Requirements: Simple Majority

OFFICER'S RECOMMENDATION (D&I 67/2013)

That Council:

1. Notes the petition received regarding the alleged decrease in water flows along Yule Brook through Donovan Village.
2. Advises the President of Donovan Village that following an investigation of the section of the brook upstream from the village it is apparent that the dams identified have been in place without substantial change since at least 2003 and therefore under the, *Rights in Water and Irrigation Act 1914* no further action can be taken against the landowners of Lot 6 (45) Palm Terrace and Lot 1000 (172) Lewis Road, Forrestfield regarding the dams on the properties.
3. Notes there is no evidence to suggest that the dams are solely responsible for the decrease in water flows along Yule Brook.

Moved:

Seconded:

Vote:

10.2 Corporate & Community Services Committee Report

10.2.1 Adoption of Corporate & Community Services Committee Report

Voting Requirements: Simple Majority

That the recommendations C&C 59 to C&C 62 inclusive, contained in the Corporate & Community Services Committee Report of 16 September 2013, be adopted by Council en bloc.

Moved:

Seconded:

Vote:

10.2.2 C&C 59 Debtors and Creditors Reports for the Period Ended 31 August 2013

COMMITTEE RECOMMENDATION TO COUNCIL (C&C 59/2013)

That Council:

1. Receives the outstanding debtors (Attachment 1) and creditors (Attachment 2) reports for the period ended 31 August 2013.
2. Receives the list of creditors paid during the period 31 July to 28 August 2013 (Attachment 3) in accordance with the requirements of the *Local Government (Financial Management) Regulations 1996 (Regulation 13)*.
3. Receives the list of payments made from the Trust Accounts in August 2013 as noted in point 12 above in accordance with the requirements of the *Local Government (Financial Management) Regulations 1996 (Regulation 12)*.

10.2.3 C&C 60 Rates Debtors Report for the Period Ended 31 August 2013

COMMITTEE RECOMMENDATION TO COUNCIL (C&C 60/2013)

That Council:

1. Receives the rates debtors report for the period ended 31 August 2013 (Attachment 1).

10.2.4 C&C 61 Community Sport and Recreation Facilities Fund Forward Planning Grants 2013/2014

COMMITTEE RECOMMENDATION TO COUNCIL (C&C 61/2013)

That Council:

1. Endorses the following application for the Department of Sport and Recreation's 2014/2015 Community Sport and Recreation Facilities Forward Planning Grant Fund:
 - Kostera Oval redevelopment

10.2.5 C&C 62 Kalamunda Community Theatre and Performing Arts Centre Management Committee

COMMITTEE RECOMMENDATION TO COUNCIL (C&C 62/2013)

That Council:

1. In accordance with Section 5.11 (1) (c) of the *Local Government Act 1995* disbands the Kalamunda Community Theatre and Performing Arts Centre Management Committee.

10.3 CHIEF EXECUTIVE OFFICER REPORTS

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

10.3.1 Draft Monthly Financial Statements to 31 August 2013

Previous Items	N/A
Responsible Officer	Director Corporate Services
Service Area	Finance
File Reference	FIR-SRR-006
Applicant	N/A
Owner	N/A
Attachment 1	Draft Statements of Financial Activity for the month to 31 August 2013 incorporating the following: <ul style="list-style-type: none">• Statement of Comprehensive Income by Program• Statement of Comprehensive Income by Nature and Type• Statement of Cash Flow• Statement of Financial Position• Statement of Financial Activity (Nature or Type)• Statement of Financial Activity (Statutory Reporting Program)• Net Current Funding Position, note to financial statement• Statement of Changes in Equity• Reserves – Cash / Investment Backed – note to financial statement• Investment Schedule – note to financial statement

PURPOSE

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

BACKGROUND

2. The Statement of Financial Activity (Attachment 1), incorporating various sub-statements, has been prepared in accordance with the requirement of the *Local Government Act 1995, Local Government (Financial Management) Regulations 1996* (Regulation 34).
3. As the 2012/13 the financial position is unaudited at this stage, the opening funding position in the Statement of Financial Activity statement could change once audit adjustments are brought to account.

DETAILS

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

Financial Commentary

Draft Statement of Comprehensive Income by Nature and Type for the Two Months to 31 August 2013

5. This Statement reveals a net result of a surplus of \$30,931,194 against revised budget for the same period of \$30,230,486.

Revenue

6. Total Revenue is under budget by \$420,016. This is made up as follows:
- Rates are under budget by \$289,724. The reason for the variance is due to timing. The raising of interim rates will normalise the situation over the coming months.
 - Operating Grants and Subsidies and Contributions, Reimbursements and Donations are under budget by \$150,714. Main variance of note was:
 - \$168,149 budgeted but not yet received for Federal Assistance Grants (“FAGS”). This is a timing issue as grants are paid on a quarterly basis.
 - Fees and Charges variance is over budget by \$47,022 and within the reporting threshold.
 - Interest earnings are under budget by \$31,238. This is a significant decrease from budget due to lower investment returns in the market for short term investments. Current rates of return are within 3.5% and 3.8% however the budget was estimated on a 4.5% investment return basis.
7. Other Revenue is over budget by \$4,593, which is within the reporting threshold. Most “Other Revenues” comprise of various fines and penalties which are difficult to predict.

Expenditure

8. Total expenses are under budget with a variance of \$1,361,015. The significant variances within the individual categories are as follows:
- Employment Costs are under budget by \$572,151 due to some vacant positions in various business units and the deferment of some key positions for six months to allow for the over-run on the verge collection costs in June 2013.
 - Materials and Contracts is under budget by \$675,616 largely due to:
 - Timing difference on various waste contractor costs worth \$347,874. This situation will correct itself in the coming months as the new verge collection contractor starts in September. There has been a good uptake on the use of skip bins by property owners.

-
- Building maintenance is underspent by \$69,130. The expenditure is made up of both scheduled and reactive maintenance, the latter being difficult to predict when required.
 - Maintenance parks and reserves is under by \$165,713 which is put down to the inclement weather cycle.
 - Program expenditure for HACC services is under by \$71,319. This is due to the lower volume of services being delivered.
- Utilities were under by \$147,984 which is due to timing difference on the late billing from Synergy.
 - Insurance expense is over by \$82,892 due to the first instalment payable to LGIS in July and August. The costs will adjust in September.
 - Other expenditure is under budget by \$19,274, which is primarily due to unutilised donations to community groups for various activities.
9. The interest expense is slightly over budget by \$1,433, which is the result of a timing difference between amounts accrued and the budget which is based on the debenture schedule.
10. Depreciation, although a non-cash cost, is tracking slightly under budget, reporting a small variance of \$30,315 or 1.8% of the total depreciation budget. The category most affected is Building depreciation.

Non-Operating Grants

11. Non-Operating Grants are under budget by \$264,213. This component is made up of various infrastructure projects which are planned to be underway. The Shire is currently in the process of ensuring the various agency commitments are in place before commencing on major project expenditure identified for 2013/14.

Profit / (Loss) on Asset Disposals

12. There were no properties disposed of in the month of July. The variance of \$23,877 relates to the disposal of fleet and plant assets.

Draft Statement of Comprehensive Income by Program for the two Months to 31 August 2013

13. The overall result comments are as above and generally each Program is within accepted budget except for Community Amenities and Recreation and Culture.

Draft Statement of Financial Activity for the two Months to 31 August 2013

14. This Statement compares the actual to date with the budget.

15. The results to 31 August 2013 reveal a surplus of \$37,004,998. This was mainly made up of:
- Overall income, excluding rates, is under budget by \$130,292, with the bulk of the variance being grants and contributions and interest earnings as previously explained.
 - Expenditure is \$1,384,892 lower than forecast with the main variance in Employment Costs and Materials and Contracts. These have been commented on in Point 8 of this report.
 - Land Development for Edney Road / Cygnet Court and Hale Road has not yet commenced in 2013/14, resulting in an underspend of \$474,580.
 - Infrastructure projects made up of roads and parks and ovals worth \$973,030, as grant commitments are confirmed before commencement of some of these projects.
 - \$348,028 unspent on land and building renewal budget. Part of this budget will be now treated as un-spent as the Shire reviews the work that was targeted for the Administration building.
 - Rates generation is under budget and the variance of \$289,679 relates to timing of interim rates as explained previously in Point 6.
16. The Shire will undertake a review of its planned projects and initiatives in light of the announcement of the amalgamation and confirmation of grant funding attached to some of the projects.
17. The current balance of \$37,004,998 is above the budget set at \$31,116,028, due to project based activities reflected above still in progress. This draft position will change as audit adjustments are finalised for 2012/13.

Investments as at 31 August 2013

18. A total of \$40.07 million is in term deposits or online saving accounts. This represents a net increase of \$14.83 million in cash deposits which can be related to the rates due date of 12 August 2013. The above is made of:

19.

Municipal Funds	Reserve Funds	Trust Monies
\$25,288,065	\$2,170,666	\$12,612,655 (includes amounts for Public Open Space of \$2,220,720)

20. Average interest rates on term deposits have dropped significantly as indicated previously with current investment rates dropping to between 3.5% and 3.80%. Reserve Bank of Australia ("RBA") has changed its cash rate from 2.75% to 2.5% with a negative outlook in the coming months.

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

Draft Statement of Financial Position as at 31 August 2013

22. Net Current Assets (Current Assets less Current Liabilities) show a positive result of \$37.0 million. The cash position has an improved position of \$27.4 million when compared with the 2012/13 balance of \$10.2 million. This is due to the commencement of the rates and waste fees in July.
23. Trade and other receivables comprise of rates and sundry debtors totalling \$14.7 million outstanding.
- The rates balance has reduced by \$8.7 million in the month. This represents a collection rate of 51.34% to date. Debt collection strategies are being rigorously enforced to assist in collections.
24. Sundry debtors have increased by \$59,898 to \$255,193 outstanding. The main overdue debtors are:
- Forrestfield United Soccer Club \$19,842 – loan instalments, reserve hire and operational expenses. Fortnightly direct debit of \$1,200 is in place. The Council proposal to defer the two loan repayments has been accepted by the Club Committee members and will be applied in September.
 - Lesmurdie Tennis Club \$25,500 being an overdue contribution for the clubhouse re-fit and extension.
25. Fixed Assets have reduced by \$1,026,020 in both asset categories of Property, Plant and Equipment and Infrastructure asset category. Hopefully this pick up in the coming months as grant commitments and design specifications are finalised.
26. Provisions for annual and long service leave are currently stable at \$2.1 million, with no significant difference from July 2013. The long term goal is to bring this liability down to a more manageable level.
27. Long term borrowings are at \$7.48 million. The Shire has no plans to extend its loan portfolio in 2013/14.

2012/13 Year End Financial Statements Update

28. The external auditors are currently at the Shire reviewing the draft financial statements and notes.
29. Issues currently outstanding are:
- Agreement on final audit adjustments.
 - Agreement and verification on fair value approach for the Hartfield Park Golf Course Land.
 - A review of the new asset ratios.

STATUTORY AND LEGAL CONSIDERATIONS

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

POLICY CONSIDERATIONS

30. Nil.

COMMUNITY ENGAGEMENT REQUIREMENTS

31. Nil.

FINANCIAL CONSIDERATIONS

32. Nil.

STRATEGIC COMMUNITY PLAN

Strategic Planning Alignment

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

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

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

SUSTAINABILITY

Social Implications

34. Nil.

Economic Implications

35. Nil.

Environmental Implications

36. Nil.

RISK MANAGEMENT CONSIDERATIONS

37. The following risks have been considered:

Risk	Likelihood	Consequence	Action / Strategy
Over-spending the budget	Medium	Major	Monthly management reports are reviewed by the Shire. Weekly engineering reports on major projects and maintenance. Reviewed by the Shire.
In-sufficient disclosure	Low	Major	The financial report is scrutinized by the Shire to ensure that all statutory requirements are met.

OFFICER COMMENT

38. The Shire's draft financial accounts as at 31 August 2013 demonstrate the Shire has managed its budget and financial resources effectively.

Voting Requirements: Simple Majority

RECOMMENDATION

That Council:

1. Receives the draft monthly financial statements for the month to 31 August 2013, which comprises:
 - Statement of Comprehensive Income by Program.
 - Statement of Comprehensive Income by Nature and Type.
 - Statement of Cash Flow.
 - Statement of Financial Position.
 - Statement of Financial Activity (Nature or Type).
 - Statement of Financial Activity (Statutory Reporting Program).
 - Net Current Funding Position, note to financial statement.
 - Statement of Changes in Equity.
 - Reserves – Cash / Investment Backed - note to financial statement.
 - Investment Schedule – note to financial statement.

Moved:

Seconded:

Vote:

**STATEMENT OF COMPREHENSIVE INCOME
BY PROGRAM
FOR THE MONTH ENDED 31 AUGUST 2013**

	31/08/2013 Actual \$	31/08/2013 Budget \$	2012/13 Budget \$	31/08/2012 Actual \$
REVENUE				
Governance	0	2,810	16,876	(318)
General Purpose Funding	28,458,778	28,874,725	32,118,251	25,360,828
Law, Order, Public Safety	82,242	62,982	378,076	60,799
Health	177,627	16,736	103,560	62,266
Education and Welfare	905,692	822,342	3,586,880	1,022,287
Community Amenities	8,167,848	8,378,061	9,109,070	6,972,880
Recreation and Culture	327,535	383,602	2,013,333	183,963
Transport	583	336	2,020	(3,158)
Economic Services	158,930	116,102	696,677	179,408
Other Property and Services	26,933	68,444	410,723	64,060
	<u>38,306,168</u>	<u>38,726,140</u>	<u>48,435,466</u>	<u>33,903,015</u>
EXPENSES EXCLUDING FINANCE COSTS				
Governance	(382,732)	(494,326)	(2,733,002)	(474,588)
General Purpose Funding	(130,157)	(136,106)	(745,018)	(104,282)
Law, Order, Public Safety	(273,219)	(332,608)	(1,768,318)	(242,689)
Health	(163,990)	(203,198)	(1,032,205)	(140,608)
Education and Welfare	(579,008)	(722,978)	(4,135,736)	(534,369)
Community Amenities	(1,171,024)	(1,634,804)	(12,664,730)	(1,218,254)
Recreation & Culture	(2,803,047)	(3,201,574)	(18,528,974)	(2,637,045)
Transport	(1,209,340)	(1,374,678)	(8,248,294)	(1,432,952)
Economic Services	(159,365)	(184,264)	(968,241)	(128,879)
Other Property and Services	(440,854)	(390,603)	(2,047,845)	(404,912)
	<u>(7,312,736)</u>	<u>(8,675,139)</u>	<u>(52,872,363)</u>	<u>(7,318,578)</u>
FINANCE COSTS				
Other Property and Services	(82,829)	(81,396)	(488,374)	(88,463)
	<u>(82,829)</u>	<u>(81,396)</u>	<u>(488,374)</u>	<u>(88,463)</u>
FAIR VALUE ADJUSTMENTS				
Fair Value Adjustments to Financial Assets at Fair Value through Profit or Loss				
General Purpose Funding	0	0	3,086,769	0
	<u>0</u>	<u>0</u>	<u>3,086,769</u>	<u>0</u>
NON-OPERATING GRANTS, SUBSIDIES AND CONTRIBUTIONS				
Recreation and Culture	0	100,780	1,425,233	0
Transport	0	163,433	2,411,202	12,325
	<u>0</u>	<u>264,213</u>	<u>3,836,435</u>	<u>12,325</u>
PROFIT/(LOSS) ON DISPOSAL OF ASSETS				
Community Amenities	0	0	2,741,310	0
Other Property and Services	20,591	(3,332)	(20,000)	(22,805)
	<u>20,591</u>	<u>(3,332)</u>	<u>2,721,310</u>	<u>(22,805)</u>
NET RESULT	30,931,194	30,230,486	4,719,243	26,485,494
Other Comprehensive Income				
Changes on Revaluation of non-current assets	0	0	(1,000,000)	0
Total Other Comprehensive Income	<u>0</u>	<u>0</u>	<u>(1,000,000)</u>	<u>0</u>
TOTAL COMPREHENSIVE INCOME	<u>30,931,194</u>	<u>30,230,486</u>	<u>3,719,243</u>	<u>26,485,494</u>

**STATEMENT OF COMPREHENSIVE INCOME
BY NATURE OR TYPE
FOR THE MONTH ENDED 31 AUGUST 2013**

	31/08/2013 Actual \$	31/08/2013 Budget \$	2012/2013 Budget \$	31/08/2012 Actual \$
REVENUE				
Rates	28,114,178	28,403,857	28,755,308	25,303,661
Operating Grants and Subsidies	980,431	1,055,582	5,427,783	966,011
Contributions, Reimbursements and Donations	59,129	134,692	811,106	85,120
Fees and Charges	8,919,914	8,872,892	12,357,702	7,486,752
Interest Earnings	218,281	249,519	1,025,933	41,795
Other Revenue	14,191	9,598	57,633	9,974
	<u>38,306,124</u>	<u>38,726,140</u>	<u>48,435,465</u>	<u>33,893,313</u>
EXPENSES				
Employee Costs	(3,475,712)	(4,047,863)	(21,139,829)	(3,373,422)
Materials and Contracts	(1,549,611)	(2,225,227)	(18,274,940)	(1,588,824)
Utility Charges	(299,808)	(447,792)	(2,686,347)	(407,828)
Depreciation	(1,615,827)	(1,646,142)	(9,877,138)	(1,602,696)
Interest Expenses	(82,829)	(81,396)	(488,374)	(88,463)
Insurance Expenses	(359,680)	(276,788)	(626,040)	(331,487)
Other Expenditure	(12,053)	(31,327)	(268,068)	(13,678)
	<u>(7,395,520)</u>	<u>(8,756,535)</u>	<u>(53,360,736)</u>	<u>(7,406,398)</u>
	30,910,604	29,969,605	(4,925,271)	26,486,915
Non-Operating Grants, Subsidies and Contributions	0	264,213	3,836,435	12,325
Fair Value adjustments to financial asset at fair value through profit or loss:				
Increase in equity - EMRC	0	0	3,086,769	
Profit on Asset Disposals	45	0	2,741,310	0
Loss on Asset Disposals	20,545	(3,332)	(20,000)	(22,805)
	<u>20,545</u>	<u>(3,332)</u>	<u>(20,000)</u>	<u>(22,805)</u>
NET RESULT	30,931,194	30,230,486	4,719,243	26,476,435
Other Comprehensive Income				
Changes on Revaluation of non-current assets	0	0	(1,000,000)	
Total Other Comprehensive Income	<u>0</u>	<u>0</u>	<u>(1,000,000)</u>	<u>0</u>
TOTAL COMPREHENSIVE INCOME	<u>30,931,194</u>	<u>30,230,486</u>	<u>3,719,243</u>	<u>26,476,435</u>

**STATEMENT OF CASH FLOWS
FOR THE MONTH ENDED 31 AUGUST 2013**

	NOTE	31/08/2013	2013/14	30/06/2013
		Actual	Budget	Actual
		\$	\$	\$
Cash Flows From Operating Activities				
Receipts				
Rates		22,876,253	28,857,508	26,591,702
Operating Grants and Subsidies		980,431	5,585,783	3,128,456
Contributions, Reimbursements and Donations		59,129	811,106	3,259,791
Fees and Charges		1,612,707	12,357,702	8,954,501
Interest Earnings		218,281	1,025,933	756,651
Goods and Services Tax		530,962	3,255,223	2,345,247
Other Revenue		14,191	57,633	75,532
		26,291,953	51,950,888	45,111,880
Payments				
Employee Costs		(3,858,883)	(21,286,194)	(19,190,504)
Materials and Contracts		(3,562,644)	(18,165,227)	(15,876,600)
Utility Charges		(299,808)	(2,686,347)	(2,484,928)
Insurance Expenses		(359,680)	(626,042)	(585,646)
Interest Expenses		(83,610)	(498,832)	(512,486)
Goods and Services Tax		(233,493)	(2,967,377)	(875,557)
Other Expenditure		(12,053)	(268,068)	(391,588)
		(8,410,171)	(46,498,087)	(39,917,309)
Net Cash Provided By (Used In)				
Operating Activities	(b)	17,881,782	5,452,801	5,194,571
Cash Flows from Investing Activities				
Work In Progress		0	0	(20,081)
Payments for Development of Land Held for Resale		0	0	(66,691)
Payments for Purchase of Property, Plant & Equipment		(229,095)	(7,807,111)	(2,482,132)
Payments for Construction of Infrastructure		(360,712)	(9,372,047)	(4,634,162)
Non-Operating Grants, Subsidies and Contributions used for the Development of Assets		0	3,836,435	2,741,392
Proceeds from Sale of Land		0	6,180,000	2,455,163
Proceeds from Sale of Plant & Equipment		20,591	327,100	314,340
		(569,216)	(6,835,623)	(1,692,171)
Net Cash Provided By (Used In)				
Investing Activities		(569,216)	(6,835,623)	(1,692,171)

**STATEMENT OF CASH FLOWS
 FOR THE MONTH ENDED 31 AUGUST 2013**

Cash Flows from Financing Activities

Repayment of Debentures	(67,255)	(757,930)	(559,442)
Capital Contributions Repayments	0	0	0
Proceeds from Self Supporting Loans	13,999	64,999	59,537
Advance to Clubs	0	0	0
Overdraft Funding Utilised	0	0	0
Overdraft Funding	0	0	0
Proceeds from New Debentures	0	0	0

Net Cash Provided By (Used In)

Financing Activities	(53,257)	(692,931)	(499,905)
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Net Increase (Decrease) in Cash Held

Net Increase (Decrease) in Cash Held	17,259,309	(2,075,753)	3,002,495
Cash at Beginning of Year	10,211,894	9,956,625	7,209,398

Cash and Cash Equivalents at the End of the Year	(a) <u>27,471,203</u>	<u>7,880,872</u>	<u>10,211,894</u>
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Cash and Cash Equivalents	27,471,203
Bank Overdraft	<u>0</u>
	<u>27,471,203</u>

**STATEMENT OF FINANCIAL POSITION
FOR THE MONTH ENDED 31 AUGUST 2013**

	Actual YTD 31/08/2013 \$	Estimated Actual 30/06/2013 \$
CURRENT ASSETS		
Cash and Cash Equivalents	27,471,203	10,211,894
Trade and Other Receivables	14,760,492	2,512,831
Inventories	167,551	156,335
Work in Progress	20,081	20,081
Land Held for Resale	384,360	384,360
TOTAL CURRENT ASSETS	<u>42,803,687</u>	<u>13,285,501</u>
NON-CURRENT ASSETS		
Other Receivables	995,858	1,009,857
Land Held for Resale	-	-
Shares in Other Equities	15,937,574	15,937,574
Property, Plant and Equipment Infrastructure	156,290,426	156,827,808
	<u>155,543,317</u>	<u>156,031,955</u>
TOTAL NON-CURRENT ASSETS	<u>328,767,175</u>	<u>329,807,194</u>
TOTAL ASSETS	<u>371,570,863</u>	<u>343,092,694</u>
CURRENT LIABILITIES		
Bank Overdraft	0	0
Trade and Other Payables	3,164,046	5,582,844
Borrowings	561,216	559,442
Provisions	2,175,588	2,142,561
TOTAL CURRENT LIABILITIES	<u>5,900,850</u>	<u>8,284,847</u>
NON-CURRENT LIABILITIES		
Long Term Borrowings	7,481,579	7,550,609
Provisions	579,165	579,165
TOTAL NON-CURRENT LIABILITIES	<u>8,060,744</u>	<u>8,129,774</u>
TOTAL LIABILITIES	<u>13,961,594</u>	<u>16,414,621</u>
NET ASSETS	<u>357,609,268</u>	<u>326,678,074</u>
EQUITY		
Retained Surplus	228,995,096	198,068,950
Reserves - Cash/Investment Backed	2,165,875	2,160,827
Reserves - Asset Revaluation	126,448,297	126,448,297
TOTAL EQUITY	<u>357,609,268</u>	<u>326,678,074</u>

**STATEMENT OF FINANCIAL ACTIVITY
BY NATURE OR TYPE
FOR THE MONTH ENDED 31 AUGUST 2013**

	31/08/2013 YTD Actual (b) \$	31/08/2013 YTD Budget (a) \$	Annual Budget \$	Var. \$ (b)-(a) \$	Var. % (b)-(a)/(b) %
Operating Revenues					
Operating Grants and Subsidies Contributions, Reimbursements and Donations	980,431	1,055,582	5,427,783	(75,151)	(7.7%)
	59,129	134,692	3,897,875	(75,563)	(127.8%)
Profit on Asset Disposal	45	0	2,741,310	45	100.0%
Fees and Charges	8,919,914	8,872,892	12,357,702	47,022	0.5%
Interest Earnings	218,281	249,519	1,025,933	(31,238)	(14.3%)
Other Revenue	14,191	9,598	57,633	4,593	32.4%
Total (Excluding Rates)	10,191,991	10,322,283	25,508,236	(130,292)	
Operating Expense					
Employee Costs	(3,475,712)	(4,047,863)	(21,139,829)	572,151	16.5%
Materials and Contracts	(1,549,611)	(2,225,227)	(18,274,940)	675,616	43.6%
Utilities Charges	(299,808)	(447,792)	(2,686,347)	147,984	49.4%
Depreciation (Non-Current Assets)	(1,615,827)	(1,646,142)	(9,877,138)	30,315	1.9%
Interest Expenses	(82,829)	(81,396)	(488,374)	(1,433)	(1.7%)
Insurance Expenses	(359,680)	(276,788)	(626,040)	(82,892)	(23.0%)
Loss on Asset Disposal	20,545	(3,332)	(20,000)	23,877	(116.2%)
Other Expenditure	(12,053)	(31,327)	(268,068)	19,274	159.9%
Total	(7,374,975)	(8,759,867)	(53,380,736)	1,384,892	
Funding Balance Adjustment					
Add Back Depreciation	1,615,827	1,646,142	9,877,138	(30,315)	(1.9%)
Adjust (Profit)/Loss on Asset Disposal	(20,590)	3,332	(2,721,310)	(23,922)	116.2%
EMRC Contribution (Non-cash)	0	0	(3,086,769)	0	
Movement in Provisions	0	0	122,782	0	
Pensioners Deferred Rates Movement	0	0	(27,800)	0	
Total	1,595,237	1,649,474	4,164,041	(54,237)	
Net Operating (Ex. Rates)	4,412,253	3,211,890	(23,708,459)	1,200,363	
Capital Revenues					
Proceeds from Disposal of Assets	20,591	0	6,507,100	20,591	100.0%
Grants, Subsidies and Contributions	0	264,213	3,836,435	(264,213)	(100.0%)
Self-Supporting Loan Principal	13,999	13,999	64,999	0	0.0%
Overdraft Funding	0	0	1,500,000	0	
Transfer from Reserves	0	0	8,345,000	0	
Total	34,590	278,212	20,253,534	(243,622)	

**STATEMENT OF FINANCIAL ACTIVITY
BY NATURE OR TYPE
FOR THE MONTH ENDED 31 AUGUST 2013**

	31/08/2013 YTD Actual (b) \$	31/08/2013 YTD Budget (a) \$	Annual Budget \$	Var. \$ (b)-(a) \$	Var. % (b)-(a)/(b) %
Capital Expenses					
Land Held for Resale	0	(474,580)	(2,847,500)	474,580	100.0%
Land and Buildings New	(46,926)	(42,086)	(252,591)	(4,840)	(10.3%)
Land and Buildings Replacement	(78,434)	(431,302)	(2,589,969)	352,868	449.9%
Plant and Equipment New	(5,099)	(4,832)	(38,000)	(267)	(5.2%)
Plant and Equipment Replacement	(63,404)	(129,872)	(779,242)	66,468	104.8%
Furniture and Equipment	(35,232)	(215,800)	(1,299,809)	180,568	512.5%
Infrastructure Assets - Roads New	(17,601)	(495,721)	(3,221,523)	478,120	2716.4%
Infrastructure Assets - Roads Renewal	(27,824)	(105,137)	(672,098)	77,313	277.9%
Infrastructure Assets - Drainage New	(71,436)	(164,572)	(708,549)	93,137	130.4%
Infrastructure Assets - Drainage Renewal	(85,639)	(221,748)	(625,516)	136,109	158.9%
Infrastructure Assets - Foothpaths New	(29,175)	(16,972)	(101,854)	(12,203)	(41.8%)
Infrastructure Assets - Foothpaths Renewal	(18,281)	(52,948)	(317,740)	34,667	189.6%
Infrastructure Assets - Car Parks New	(4,800)	(17,526)	(105,175)	12,726	265.1%
Infrastructure Assets - Car Parks Renewal	0	(4,818)	(409,630)	4,818	100.0%
Infrastructure Assets - Parks and Ovals New	(88,908)	(237,252)	(2,480,637)	148,345	166.9%
Infrastructure Assets - Parks and Ovals Renewal	(17,049)	(90,106)	(729,325)	73,057	428.5%
Capital Contributions and Grants Owing	0	0	0	0	
Repayment of Debentures	(67,255)	(126,320)	(757,930)	59,065	87.8%
Overdraft Funding (Repayment)	0	0	0	0	
Transfer to Reserves	(5,048)	(6,680)	(7,197,558)	1,632	32.3%
Total	(662,110)	(2,838,272)	(25,134,646)	2,176,162	
Net Capital	(627,520)	(2,560,060)	(4,881,112)	1,932,540	
Total Net Operating + Capital	3,784,733	651,830	(28,589,571)	3,132,903	
Rate Revenue	28,114,178	28,403,857	28,755,308	(289,679)	(1.0%)
Opening Funding Surplus(Deficit)	5,106,087	2,060,341	2,060,341	3,045,746	59.6%
Closing Funding Surplus(Deficit)	37,004,998	31,116,028	2,226,078	5,888,970	

**STATEMENT OF FINANCIAL ACTIVITY
(STATUTORY REPORTING PROGRAM)
FOR THE MONTH ENDED 31 AUGUST 2013**

	31/08/2013 YTD Actual (b) \$	31/08/2013 YTD Budget (a) \$	Annual Budget \$	Var. \$ (b)-(a) \$	Var. % (b)- (a)/(b) %
Operating Revenues					
Governance	0	2,810	16,876	(2,810)	(100.0%)
General Purpose Funding	344,600	470,868	6,449,712	(126,268)	(36.6%)
Law, Order and Public Safety	82,242	62,982	378,076	19,260	23.4%
Health	177,627	16,736	103,560	160,891	90.6%
Education and Welfare	905,692	822,342	3,586,880	83,350	9.2%
Community Amenities	8,167,848	8,378,061	9,109,070	(210,213)	(2.6%)
Recreation and Culture	327,535	383,602	2,013,333	(56,067)	(17.1%)
Transport	583	336	2,020	247	42.4%
Economic Services	158,930	116,102	696,677	42,828	26.9%
Other Property and Services	26,978	68,444	3,152,033	(41,466)	(153.7%)
Total (Excluding Rates)	10,192,035	10,322,283	25,508,237	(130,248)	
Operating Expense					
Governance	(382,732)	(494,326)	(2,733,002)	111,594	29.2%
General Purpose Funding	(130,157)	(136,106)	(745,018)	5,949	4.6%
Law, Order and Public Safety	(273,219)	(332,608)	(1,768,318)	59,389	21.7%
Health	(163,990)	(203,198)	(1,032,205)	39,208	23.9%
Education and Welfare	(579,008)	(722,978)	(4,135,736)	143,970	24.9%
Community Amenities	(1,171,024)	(1,634,804)	(12,664,730)	463,780	39.6%
Recreation and Culture	(2,803,047)	(3,201,574)	(18,528,974)	398,527	14.2%
Transport	(1,209,340)	(1,374,678)	(8,248,294)	165,338	13.7%
Economic Services	(159,365)	(184,264)	(968,241)	24,899	15.6%
Other Property and Services	(503,137)	(475,331)	(2,556,219)	(27,806)	(5.5%)
Total	(7,375,019)	(8,759,867)	(53,380,737)	1,384,848	
Funding Balance Adjustment					
Add back Depreciation	1,615,827	1,646,142	9,877,138	(30,315)	(1.9%)
Adjust (Profit)/Loss on Asset Disposal	(20,590)	3,332	(2,721,310)	(23,922)	116.2%
EMRC Contribution (Non-cash)	0	0	(3,086,769)	0	
Movement in Provisions	0	0	122,782	0	
Pensioners Deferred Rates Movement	0	0	(27,800)	0	
Total	1,595,237	1,649,474	4,164,041	(54,237)	
Net Operating (Ex. Rates)	4,412,253	3,211,890	(23,708,459)	1,200,363	

**STATEMENT OF FINANCIAL ACTIVITY
(STATUTORY REPORTING PROGRAM)
FOR THE MONTH ENDED 31 AUGUST 2013**

	31/08/2013 YTD Actual (b) \$	31/08/2013 YTD Budget (a) \$	Annual Budget \$	Var. \$ (b)-(a) \$	Var. % (b)- (a)/(b) %
Capital Revenues					
Proceeds from Disposal of Assets	20,591	0	6,507,100	20,591	100.0%
Capital Contributions and Grants	0	264,213	3,836,435	(264,213)	(100.0%)
Self-Supporting Loan Principal Income	13,999	13,999	64,999	0	0.0%
Overdraft Funding Utilised	0	0	1,500,000	0	
Transfer from Reserves	0	0	8,345,000	0	
Total	34,590	278,212	20,253,534	(243,622)	
Capital Expenses					
Land Development Costs	0	(474,580)	(2,847,500)	474,580	100.0%
Land and Buildings New	(46,926)	(42,086)	(252,591)	(4,840)	(10.3%)
Land and Buildings Replacement	(78,434)	(431,302)	(2,589,969)	352,868	449.9%
Plant and Equipment New	(5,099)	(4,832)	(38,000)	(267)	(5.2%)
Plant and Equipment Replacement	(63,404)	(129,872)	(779,242)	66,468	104.8%
Furniture and Equipment	(35,232)	(215,800)	(1,299,809)	180,568	512.5%
Infrastructure Assets - Roads New	(17,601)	(495,721)	(3,221,523)	478,120	2716.4%
Infrastructure Assets - Roads Renewal	(27,824)	(105,137)	(672,098)	77,313	277.9%
Infrastructure Assets - Drainage New	(71,436)	(164,572)	(708,549)	93,137	130.4%
Infrastructure Assets - Drainage Renewal	(85,639)	(221,748)	(625,516)	136,109	158.9%
Infrastructure Assets - Foothpaths New	(29,175)	(16,972)	(101,854)	(12,203)	(41.8%)
Infrastructure Assets - Foothpaths Renewal	(18,281)	(52,948)	(317,740)	34,667	189.6%
Infrastructure Assets - Car Parks New	(4,800)	(17,526)	(105,175)	12,726	265.1%
Infrastructure Assets - Car Parks Renewal	0	(4,818)	(409,630)	4,818	100.0%
Infrastructure Assets - Parks and Ovals New	(88,908)	(237,252)	(2,480,637)	148,345	166.9%
Infrastructure Assets - Parks and Ovals Renewal	(17,049)	(90,106)	(729,325)	73,057	428.5%
Capital Contributions and Grants Owing	0	0	0	0	
Repayment of Debentures	(67,255)	(126,320)	(757,930)	59,065	87.8%
Overdraft Funds (Repayment)	0	0	0	0	
Transfer to Reserves	(5,048)	(6,680)	(7,197,558)	1,632	32.3%
Total	(662,110)	(2,838,272)	(25,134,646)	2,176,162	
Net Capital	(627,520)	(2,560,060)	(4,881,112)	1,932,540	
Total Net Operating + Capital	3,784,733	651,830	(28,589,571)	3,132,903	
Rate Revenue	28,114,178	28,403,857	28,755,308	(289,679)	(1.0%)
Opening Funding Surplus(Deficit)	5,106,087	2,060,341	2,060,341	3,045,746	59.6%
Closing Funding Surplus(Deficit)	37,004,998	31,116,028	2,226,078	5,888,970	

**NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
 FOR THE MONTH ENDED 31 AUGUST 2013**

NET CURRENT FUNDING POSITION

Positive=Surplus
 (Negative=Deficit)
 2012-13

	31/08/2013	Last Period
	\$	\$
Current Assets		
Cash Unrestricted	25,300,537	11,600,325
Cash at Bank - Reserves (Restricted)	2,170,666	2,165,875
Receivables - Rates and Rubbish	13,624,492	30,179,564
Receivables -Other	1,076,465	841,785
Inventories	167,551	150,753
(* exclude loan receivable)	42,339,711	44,938,301
Less: Current Liabilities		
Overdraft	0	0
Payables	(3,164,046)	(3,760,887)
Provisions	(2,175,588)	(2,116,010)
(* exclude loan payable)	(5,339,634)	(5,876,897)
Net Current Asset Position	37,000,077	39,061,404
Add:		
Provision for Long Service Leave	656,700	633,770
Provision for Annual Leave	1,518,888	1,482,240
Less:		
Restricted Cash (Reserves)	(2,170,666)	(2,165,875)
Cash Restricted		
Net Current Funding Position	37,004,998	39,011,539
Balance made up of Municipal Surplus	37,004,998	39,011,539

**STATEMENT OF CHANGES IN EQUITY
FOR THE MONTH ENDED 31 AUGUST 2013**

	RETAINED SURPLUS \$	RESERVES CASH/ INVESTMENT BACKED \$	REVALUATION SURPLUS \$	TOTAL EQUITY \$
Balance as at 30 June 2012	194,723,847	2,677,466	129,665,629	327,066,942
Restated Balance	194,723,847	2,677,466	129,665,629	327,066,942
Comprehensive Income				
Net Result	2,828,464	0	0	2,828,464
Changes on Revaluation of Non-Current Assets	0	0	(3,217,332)	(3,217,332)
Total Comprehensive Income	2,828,464	0	(3,217,332)	(388,868)
Reserve Transfers	516,639	(516,639)	0	0
Balance as at 30 June 2013	198,068,950	2,160,827	126,448,297	326,678,074
Comprehensive Income				
Net Result	30,931,194	0	0	30,931,194
Changes on Revaluation of Non-Current Assets	0	0	0	0
Total Other Comprehensive Income	30,931,194	0	0	30,931,194
Reserve Transfers	(5,048)	5,048	0	0
Balance as at 31 August 2013	228,995,096	2,165,875	126,448,297	357,609,268

This statement is to be read in conjunction with the accompanying notes.

**NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
 FOR THE MONTH ENDED 31 AUGUST 2013**

NOTES TO THE STATEMENT OF CASH FLOWS

(a) Reconciliation of Cash

For the purposes of the statement of cash flows, cash includes cash and cash equivalents, net of outstanding bank overdrafts. Cash at the end of the reporting period is reconciled to the related items in the statement of financial position as follows:

	31/08/2013	30/06/2012
	\$	\$
Cash and Cash Equivalents	27,471,203	10,211,894
Overdraft Funding	<u>-</u>	<u>-</u>
	<u><u>27,471,203</u></u>	<u><u>10,211,894</u></u>

(b) Reconciliation of Net Cash Provided By Operating Activities to Net Result

Net Result	30,931,195	2,828,467
Depreciation	1,615,827	9,463,237
(Profit)/Loss on Sale of Asset	(20,591)	(1,976,459)
(Increase)/Decrease in Receivables	(12,247,663)	197,829
(Increase)/Decrease in Inventories	(11,216)	44,940
Increase/(Decrease) in Payables	(2,418,798)	(506,136)
Increase/(Decrease) in Employee Provisions	33,027	400,727
Non Cash Contribution (EMRC)	0	(2,516,642)
Grants/Contributions for the Development of Assets	<u>0</u>	<u>(2,741,392)</u>
Net Cash from Operating Activities	<u><u>17,881,782</u></u>	<u><u>5,194,571</u></u>

**(c) Undrawn Borrowing Facilities
 Credit Standby Arrangements**

Bank Overdraft limit	1,500,000
Bank Overdraft at Balance Date	0

**NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
 FOR THE MONTH ENDED 31 AUGUST 2013**

	Actual 31/08/2013 \$	Original Budget 30/06/2014 \$	Original Budget 30/06/2014 \$
RESERVES - CASH/INVESTMENT BACKED			
(a) Land and Property			
Opening Balance	717,693	3,235,498	3,235,498
Interest Earned	1,676	97,065	97,065
Amount Set Aside / Transfer to Reserve	0	5,200,000	5,200,000
Amount Used / Transfer from Reserve	0	(6,865,000)	(6,865,000)
	<u>719,369</u>	<u>1,667,563</u>	<u>1,667,563</u>
(b) Waste Management			
Opening Balance	156,580	154,349	154,349
Interest Earned	366	4,630	4,630
Amount Set Aside / Transfer to Reserve	0	0	0
Amount Used / Transfer from Reserve	0	0	0
	<u>156,946</u>	<u>158,979</u>	<u>158,979</u>
(c) EDP - IT Equipment			
Opening Balance	169,913	122,666	122,666
Interest Earned	396	3,680	3,680
Amount Set Aside / Transfer to Reserve	0	1,250,000	1,250,000
Amount Used / Transfer from Reserve	0	(1,228,000)	(1,228,000)
	<u>170,309</u>	<u>148,346</u>	<u>148,346</u>
(d) Local Government Elections			
Opening Balance	0	0	0
Interest Earned	0	0	0
Amount Set Aside / Transfer to Reserve	0	110,000	110,000
Amount Used / Transfer from Reserve	0	(110,000)	(110,000)
	<u>0</u>	<u>0</u>	<u>0</u>

**NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE MONTH ENDED 31 AUGUST 2013**

	Actual	Original	Original
	31/08/2013	Budget	Budget
	31/08/2013	30/06/2014	30/06/2014
	\$	\$	\$
(e) Long Service Leave			
Opening Balance	73,109	72,067	72,067
Interest Earned	171	2,162	2,162
Amount Set Aside / Transfer to Reserve	0	100,000	100,000
Amount Used / Transfer from Reserve	0	(60,000)	(60,000)
	<u>73,280</u>	<u>114,229</u>	<u>114,229</u>
(f) Plant and Equipment			
Opening Balance	28,350	27,946	27,946
Interest Earned	66	838	838
Amount Set Aside / Transfer to Reserve	0	0	0
Amount Used / Transfer from Reserve	0	0	0
	<u>28,416</u>	<u>28,784</u>	<u>28,784</u>
(g) Stirk Park Reserve			
Opening Balance	24,723	24,373	24,373
Interest Earned	58	731	731
Amount Set Aside / Transfer to Reserve	0	0	0
Amount Used / Transfer from Reserve	0	0	0
	<u>24,781</u>	<u>25,104</u>	<u>25,104</u>
(h) HACC			
Opening Balance	443,392	437,831	437,831
Interest Earned	1,036	13,135	13,135
Amount Set Aside / Transfer to Reserve	0	250,000	250,000
Amount Used / Transfer from Reserve	0	0	0
	<u>444,428</u>	<u>700,966</u>	<u>700,966</u>

**NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
 FOR THE MONTH ENDED 31 AUGUST 2013**

	Actual	Original	Original
	31/08/2013	Budget	Budget
	31/08/2013	30/06/2014	30/06/2014
	\$	\$	\$
(i) Forrestfield Industrial Area			
Opening Balance	160,787	77,804	77,804
Interest Earned	375	2,334	2,334
Amount Set Aside / Transfer to Reserve	0	0	0
Amount Used / Transfer from Reserve	0	(30,000)	(30,000)
	<u>161,162</u>	<u>50,138</u>	<u>50,138</u>
(j) Insurance Contingency			
Opening Balance	164,706	162,362	162,362
Interest Earned	385	4,871	4,871
Amount Set Aside / Transfer to Reserve	0	0	0
Amount Used / Transfer from Reserve	0	0	0
	<u>165,091</u>	<u>167,233</u>	<u>167,233</u>
(k) Light Plant			
Opening Balance	33,443	32,967	32,967
Interest Earned	78	989	989
Amount Set Aside / Transfer to Reserve	0	0	0
Amount Used / Transfer from Reserve	0	0	0
	<u>33,521</u>	<u>33,956</u>	<u>33,956</u>
(l) Revaluation			
Opening Balance	136,416	134,472	134,472
Interest Earned	318	4,034	4,034
Amount Set Aside / Transfer to Reserve	0	50,000	50,000
Amount Used / Transfer from Reserve	0	0	0
	<u>136,734</u>	<u>188,506</u>	<u>188,506</u>

**NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE MONTH ENDED 31 AUGUST 2013**

	Actual 31/08/2013 \$	Original Budget 30/06/2014 \$	Original Budget 30/06/2014 \$
(m) Nominated Employee Leave Provisions			
Opening Balance	24,340	23,990	23,990
Interest Earned	57	720	720
Amount Set Aside / Transfer to Reserve	0	0	0
Amount Used / Transfer from Reserve	0	0	0
	<u>24,397</u>	<u>24,710</u>	<u>24,710</u>
(n) Unexpended Capital Works and Specific Purpose Grants			
Opening Balance	0	0	0
Amount Set Aside / Transfer to Reserve	0	0	0
Amount Used / Transfer from Reserve	0	0	0
	<u>0</u>	<u>0</u>	<u>0</u>
(o) Environmental Reserve			
Opening Balance	27,376	45,647	45,647
Interest Earned	65	1,369	1,369
Amount Set Aside / Transfer to Reserve	0	101,000	101,000
Amount Used / Transfer from Reserve	0	(52,000)	(52,000)
	<u>27,441</u>	<u>96,016</u>	<u>96,016</u>
TOTAL CASH BACKED RESERVES	<u>2,165,874</u>	<u>3,404,530</u>	<u>3,404,530</u>
SUMMARY			
	2012-13 Actual YTD \$	2012-13 Budget \$	2011-12 Orig Budget \$
Opening Balance	2,160,827	4,551,972	4,551,972
Transfer from Accumulated Surplus - Interest	5,047	136,558	136,558
Transfer from Accumulated Surplus	0	7,061,000	7,061,000
Transfer to Accumulated Surplus	0	(8,345,000)	(8,345,000)
Closing Balance	<u>2,165,874</u>	<u>3,404,530</u>	<u>3,404,530</u>

**Investments
FOR THE MONTH ENDED 31 AUGUST 2013**

MUNICIPAL FUNDS

Cash at Bank

<u>Invest #</u>	<u>Bank</u>	<u>Term</u>	<u>Interest Rate %</u>	<u>Weighted Int Rate</u>	<u>Maturity</u>	<u>Fund</u>	<u>Amount</u>
SOK - MOW	ANZ-Meals on Wheels					Municipal	\$7,463.14
SOK - KHACC	Bank West-Home and Community Care					Municipal	\$32,670.68
SOK	Commonwealth Chequing Account					Municipal	\$133,945.08
SOK	Commonwealth Savings Account					Municipal	\$5,741,101.61
SOK	Commonwealth CIP					Municipal	\$0.00
SOK	Commonwealth Savings Account (Health)					Municipal	\$0.00
SOK	Commonwealth Savings Account (Trybooking)					Municipal	\$462.02
SOK	Commonwealth Overdraft \$1,500,000 GFL					Municipal	\$1,730.54
							<u>\$5,917,373.07</u>

Cash Investments

9075	ING	90	4.29%	0.1976%	6/9/13	Municipal	\$1,258,189.14
9081	NAB	120	4.00%	0.3039%	22/11/13	Municipal	\$2,075,001.99
9083	NAB	120	4.00%	0.1519%	22/11/13	Municipal	\$1,037,501.01
9087	Westpac	120	4.20%	0.1538%	16/11/13	Municipal	\$1,000,000.00
9088	Suncorp	120	4.10%	0.1501%	19/11/13	Municipal	\$1,000,000.00
9089	Bendigo	120	3.80%	0.1391%	29/11/13	Municipal	\$1,000,000.00
9090	St George	90	3.79%	0.1388%	29/10/13	Municipal	\$1,000,000.00
9091	Suncorp	90	3.60%	0.1318%	4/11/13	Municipal	\$1,000,000.00
9092	Bendigo	90	3.80%	0.1391%	4/11/13	Municipal	\$1,000,000.00
9093	ING	120	3.82%	0.1399%	4/12/13	Municipal	\$1,000,000.00
9094	St George	120	3.60%	0.1318%	4/12/13	Municipal	\$1,000,000.00
9095	Westpac	120	3.70%	0.1355%	9/12/13	Municipal	\$1,000,000.00
9096	Suncorp	180	3.85%	0.2819%	10/2/14	Municipal	\$2,000,000.00
9097	St George	180	3.74%	0.2739%	13/2/14	Municipal	\$2,000,000.00
9098	ING	180	3.95%	0.1446%	11/2/14	Municipal	\$1,000,000.00
9099	ING	180	3.93%	0.1439%	17/2/14	Municipal	\$1,000,000.00
							<u>\$19,370,692.14</u>

Cash Backed Reserves

SOK	Commonwealth Bank Savings Account					Reserve	\$2,170,666.26
							<u>\$2,170,666.26</u>

Total Municipal/Reserve Funds

\$27,458,731.47

Trust Funds

SOK	Shire of Kalamunda-BCITF, BRB, Unclaimed Monies					Trust	\$60,634.10
SOK	Shire of Kalamunda-Environmental Friends Group					Trust	\$4,032.95
SOK	Forrestfield Industrial Area Trust					Trust	\$231,299.67
							<u>\$295,966.72</u>

Cell 9 Scheme Contributions

CELL9 TD2	NAB	120	4.07%	0.1714%	28/9/13	Trust	\$1,150,427.75
CELL9 TD5	Westpac	90	4.15%	0.1746%	10/9/13	Trust	\$1,149,450.74
CELL9 TD6	Bendigo	120	3.80%	0.1583%	29/11/13	Trust	\$1,138,060.68
CELL9 TD7	Bendigo	120	3.80%	0.1583%	29/11/13	Trust	\$1,138,060.68
CELL9 TD8	ANZ	90	4.00%	0.2495%	28/7/13	Trust	\$1,084,192.00
CELL9 TD9	ING	90	4.17%	0.1655%	9/9/13	Trust	\$1,084,136.22
CELL9 TD10	Westpac	92	4.15%	0.1592%	10/9/13	Trust	\$1,047,762.42
	Cell 9 Cheque Account/Online Saver						\$2,303,878.32
							<u>\$10,095,968.81</u>

**Investments
 FOR THE MONTH ENDED 31 AUGUST 2013**

Public Open Space Funds

<u>Invest #</u>	<u>Bank</u>	<u>Term</u>	<u>Interest Rate %</u>	<u>Weighted Int Rate</u>	<u>Maturity</u>	<u>Fund</u>	<u>Amount</u>
POS	ING	120	4.30%	0.1945%	13/12/13	Trust	\$1,235,321.11
POS	Commonwealth Cash at Bank	At Call				Trust	\$985,399.31
							<u>\$2,220,720.42</u>
Total Trust Funds							\$12,612,655.95
<u>SUMMARY OF FUNDS</u>							
<i>Municipal/Reserve Funds</i>							\$27,458,731.47
<i>Trust Funds</i>							<u>\$12,612,655.95</u>
<u>Total Funds</u>							<u>\$40,071,387.42</u>

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

10.3.2 Designation of Directors positions as Senior Employees

Previous Items	OCM 121/2013
Responsible Officer	Chief Executive Officer
Service Area	Office of the Chief Executive Officer
File Reference	N/A
Applicant	N/A
Owner	N/A

PURPOSE

1. For Council to consider the designation of the positions of Director of Corporate Services, Director of Development Services and Director of Infrastructure Services as senior employee positions in accordance with section 5.37 of the *Local Government Act 1995* ("the Act").

BACKGROUND

2. Following endorsement by Council at the Ordinary Council Meeting on 26 August 2013, of the restructure initiated by the Chief Executive Officer ("CEO"), it is necessary for Council to consider designating the three "new" positions of Director as senior employees for the purposes of the Act.

DETAILS

3. Section 5.37 (1) of the Act provides that Council can designate employees or persons belonging to a class of employee to be senior employees. Section 5.37 (2) provides the CEO is to inform the Council of each proposal to employ or dismiss a senior employee, other than a senior employee referred to in section 5.39(1a), and the Council may accept or reject the CEO's recommendation but if the Council rejects a recommendation, it is to inform the CEO of the reasons for its doing so.
4. Additionally, section 5.37 (3) requires that the position of a senior employee is advertised when it becomes vacant. Section 5.39 requires the employment of a person as a senior employee to be governed by a contract.
5. It is considered that the three Directors positions are integral members of the Executive Management Team and along with the CEO are key staff in implementing Council's Strategic Direction and Objectives. Council therefore needs to be able to satisfy itself that appropriate processes are carried out to employ the best available persons in these positions.
6. If these positions are not designated as senior employees, then the CEO under the statutory functions of staff management under the Act, could hire and dismiss staff to these positions without any reference to Council.

STATUTORY AND LEGAL CONSIDERATIONS

7. Sections 5.37 and 5.39 of the *Local Government Act 1995*.

POLICY CONSIDERATIONS

8. There is no policy for this specific matter.

COMMUNITY ENGAGEMENT REQUIREMENTS

9. Community engagement is not considered necessary for this particular matter.

FINANCIAL CONSIDERATION

10. There is no direct financial impact from this decision.

STRATEGIC COMMUNITY PLAN

Strategic Planning Alignment

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

OBJECTIVE 6.3 – To lead, motivate and advance the Shire of Kalamunda.

Strategy 6.3.3 Regularly review the organisation's structure, policies and procedures in response to changing circumstances.

SUSTAINABILITY

Social Implications

12. Nil.

Economic Implications

13. Nil.

Environmental Implications

14. Nil.

RISK MANAGEMENT CONSIDERATIONS

- 15.

Risk	Likelihood	Consequence	Action/Strategy
That the CEO does not seek designation of Executive Staff as senior employees.	Low	High	Council ensures CEO is aware of its desire to ensure strategically key staff are designated as senior employees.

OFFICER COMMENT

16. There advantages and disadvantages arising from the designation of positions as senior employees. The main advantages include:

- Ensuring the recruitment process required by the Act is complied with
- Providing Council with input into the employment or dismissal of key personnel within the organisation

The main disadvantages are restricting the opportunity for the CEO to employee or dismiss instantly or to directly “headhunt” a person for one of the positions.

Voting Requirements: Simple Majority

RECOMMENDATION

That Council:

1. Pursuant to section 5.37 (1) of the *Local Government Act 1995*, designates the positions of Director of Corporate Services, Director of Development Services and Director of Infrastructure Services as senior employee positions of the Shire of Kalamunda.

Moved:

Seconded:

Vote:

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

10.3.3 Kalamunda Chamber of Commerce – Repayment of Loan

Previous Items	GSC 61/2010 - June 2010 GSC 38/2009 - April 2009
Responsible Officer	Chief Executive Officer
Service Area	Office of the Chief Executive Officer
File Reference	CN-11/GEN
Applicant	Kalamunda Chamber of Commerce
Owner	N/A
Attachment 1	Unsigned Letter from Former Chief Executive Officer to Kalamunda Chamber of Commerce
Attachment 2	Photograph of Cheque Presentation from Kalamunda Chamber of Commerce

PURPOSE

1. For Council to consider issuing the Kalamunda Chamber of Commerce ("KCC") with a request to repay an interest free loan of \$10,000 provided to assist with the operations of the Kalamunda Farmers' Market.

BACKGROUND

2. Council granted seed capital on the 6 April 2009 in the form of an interest free loan of \$10,000 for one year. This loan was to be repaid in May 2010.
3. A formal presentation of a "dummy" cheque, dated 2 May 2010, for \$10,000 was made to the then Shire President, Mr Donald McKechnie, from the President of the KCC Mr Rob Bentley in repayment of the loan at a formal presentation ceremony (Attachment 2).

DETAILS

4. During the recent audit of the 2012/2013 year financial statements an outstanding debt was analysed on the Shire's balance sheet which represented the loan of \$10,000 made to the KCC.
5. The Shire investigated this outstanding debt and it was concluded no correspondence or financial record of the loan being repaid, or a cheque being received from the KCC for \$10,000, could be found within the Shire's record systems.
6. As a consequence of payment not being received the debt is still appearing as unpaid on the Shire's financial records.
7. Follow up with the KCC indicated the previous Chief Executive Officer ("CEO"), Mr James Trail, had advised the President of the KCC they would not be expected to repay the loan as he would waiver the loan by offsetting it against his discretionary funds from within the Shire's budget.
8. The Shire requested a copy of the letter from the former CEO giving the authority to relinquish the debt. The KCC forwarded an unsigned letter from

the former CEO, Mr James Trail, dated 3 September 2013 (Attachment 1). The unsigned letter from Mr Trail states he instructed his staff to have this loan offset against savings in discretionary expenditure. No copy of this letter or a written direction to staff could be found on Shire's records.

9. The former CEO, James Trail, did not have delegated authority to waiver or write off a debt or make donations greater than \$1,000 from the Shire's Municipal funds. Write offs or donations greater than \$1,000 require a resolution of Council.

STATUTORY AND LEGAL CONSIDERATIONS

10. Section 6.12 of the *Local Government Act 1995* ("the Act") provides the power for a local government to waive or write off any amount of money.
11. Section 5.42 of the Act provides that a local government can delegate to the CEO certain of its powers.
12. The delegation by Council at the time of this event restricted the amount the CEO could to write off to \$1,000 under section 6.12 of the Act.

POLICY CONSIDERATIONS

13. Nil.

COMMUNITY ENGAGEMENT REQUIREMENTS

14. Nil.

FINANCIAL CONSIDERATION

15. The debt is still being carried forward as a sundry miscellaneous receivable in the financial records of the Shire.
16. Should Council choose to write off or waiver the debt, it will result in a reduction of sundry debtors and increase in expenditure of \$10,000 as a write off of a debtor.

STRATEGIC COMMUNITY PLAN

Strategic Planning Alignment

17. *Kalamunda Advancing: Strategic Community Plan to 2023*
 - Strategy 1.8.2 Identify and partner funding opportunities to support the financial sustainability of local community groups.
 - Strategy 5.3.2 Proactively engage and partner with local and regional businesses to support further economic development.
 - Objective 6.8 To ensure financial sustainability through the implementation of effective financial management, systems and plans.
 - Strategy 6.8.4 Provide effective financial services to support the Shire's operations and to meet sustainability planning, reporting and accountability requirements.

SUSTAINABILITY

Social Implications

18. Nil.

Economic Implications

19. Nil.

Environmental Implications

20. Nil.

RISK MANAGEMENT CONSIDERATIONS

21.	Risk	Likelihood	Consequences	Action/Strategy
	Non-compliance with legislation	Low	High	All debtors write offs in excess of \$1,000 require council approval.

OFFICER COMMENT

22. No correspondence could be located in records in relation to loan repayment or wavering of this debt by the former CEO, Mr James Trail.
23. The former CEO had no authority to waive or write off a debt of this size as this can only occur by a resolution of Council.
24. If the former CEO acted outside his delegated authority and was in breach of legislation then consideration may need to be given on whether to pursue this matter further by referring it to the Shire's lawyers.
25. The financial impact of this matter upon the Chamber of Commerce will likely be significant. In light of this the Shire will be willing to consider repayment of the loan over a term that will be conducive to the Chamber's financial capacity.

Voting Requirements: Simple Majority

RECOMMENDATION

That Council:

1. Request the Chief Executive Officer to advise the Kalamunda Chamber of Commerce the loan is not waived and they will be required to repay the Shire the full amount.
2. Agrees to a schedule of payments arrangement with the Kalamunda Chamber of Commerce in order to assist in the repayment of the loan over a two year period.

Moved:

Seconded:

Vote:

Attachment 1

*James Trail
PO Box 148
Kalamunda WA 6926*

Ph. 0447 115449

3 September 2013

*Finance Department
Shire of Kalamunda*

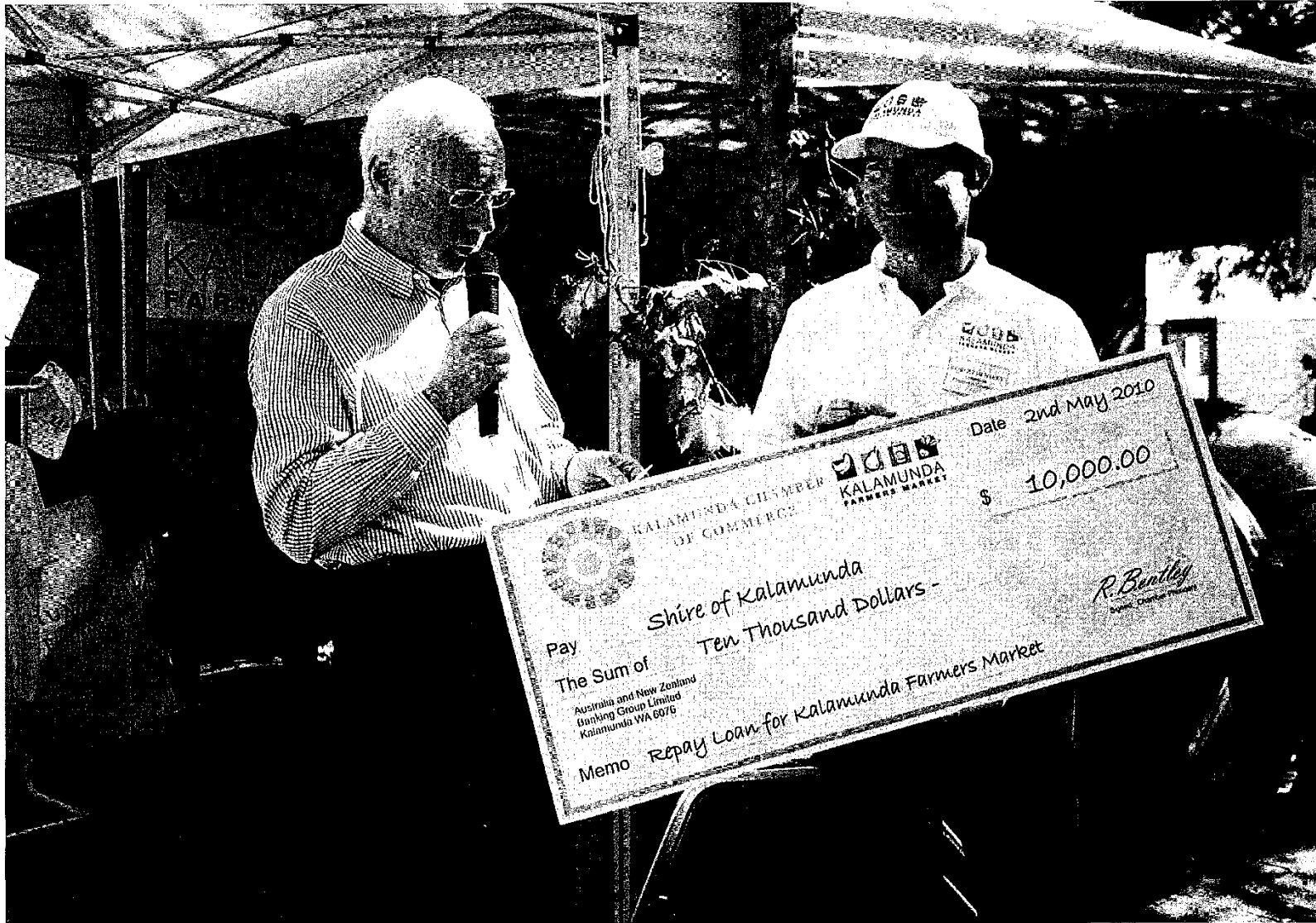
To Whom It May Concern,

I wish to confirm that the \$10,000 loan initially provided to the Chamber was to be offset against savings in discretionary expenditure in the Governance area. During my time as CEO, I requested the Manager Finance to do a journal entry so that the year-end financials would reflect this offset. The journal should have been done and the explanation provided as documentation in the year end audit file. I was advised this would be done.

Yours faithfully,

James Trail

Attachment 2



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

10.3.4 Information Technology Infrastructure Replacement

Previous Items N/A
Responsible Officer: Director of Corporate Services
Service Area: Technology & Corporate Support
File Reference RFQ 12-2013
Applicant N/A
Owner

Confidential Attachment 1 Evaluation Report
Reason for Confidentiality: *Local Government Act 1995 S5.23 (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."*

PURPOSE

1. To consider awarding the contract within the Scope of Works for the Information Technology ("IT") Infrastructure Replacement as per the Request for Quotation ("RFQ").

BACKGROUND

2. In November 2012 approval and funding was sought from Council to tender for an independent Infrastructure Audit to identify the issues being experienced by the Shires IT systems and in the face of the final year of the Macquarie IT Equipment Lease put forward a strategy for the Shires IT systems.
3. The Audit was conducted and the findings presented to Council in March 2013 with recommendations for IT equipment replacements and a new financial structure around this equipment finance.
4. This RFQ and the proposal for the core equipment replacement is the first phase of the Audit report recommendations.
5. The Shire of Kalamunda issued a eQuote Request on the 23 August 2013 for IT Infrastructure Replacement, for the Supply, Installation and Maintenance Support of the following:
 - Part A: Supply and Delivery of 3 x IBM specific servers and hardware including professional services, training and support
 - Part B: Supply and Delivery of 1 x Primary and 1 X Backup Storage Attached Network, 4 x SAN Fabric switches and all components including professional services, training, and support plus a lease price on the hardware
 - Part C: Supply and Delivery of 1 x Cisco Core switch as specified, 4 x Cisco 3850X switches, 10 x Cisco 3850X edge switches/ routers, management system, Cisco 5760 Wireless Controller, distribution devices and AP's (up to 50+) or equivalent Wireless technology plus professional services, training and support

Part D: Supply and Delivery of 1 x Firewall Appliance, Web Management Appliance, IPS & IDS solution as specified

Part E: Maintenance and Support Service

DETAILS

6. The purpose of this proposal is to present an outcome containing the costs and effort required to produce a product offering that comprises of the requested core IT infrastructure, a high level design and professional services that support the Shires replacement of IT legacy infrastructure. The Request for Quote was issued to six companies with a closing date of 4 September 2013.
7. The RFQ was sent to IT organisations who have experience dealing with Local and or State Government and who were seen as solutions integrators not aligned to any particular brand of IT infrastructure equipment but represented a “best of breed” methodology
8. The Contract will be awarded to a sole respondent who best demonstrates the ability to provide quality products and/or services at a competitive price. The quoted prices will be assessed together with the qualitative and compliance criteria to determine the most advantageous outcome to the Principal.
9. Responses were received from Datacom and Annitel with the remaining four organisations declining or failing to submit. These were evaluated by a Panel comprising three staff members. Details of the evaluation are contained in the Evaluation Report (Confidential Attachment 1).
10. Following the evaluation, the successful applicant was Datacom, the decision was based on:
 - Capacity to complete the project within the required time frames
 - Overall cost of the project
 - Design and demonstrated knowledge of each part of the infrastructure criteria.

STATUTORY AND LEGAL CONSIDERATIONS

11. The Shire is required to comply with S3.57 of the *Local Government Act 1995* and Part IV of the *Local Government (Functions and General) Regulations 1996*, for purchases of goods and services.
12. The companies provided the RFQ are all part of the WA Local Government Association preferred supplier list. Utilisation of these suppliers is provided for by Regulation 11 (2) (b).

POLICY CONSIDERATIONS

13. Policy C-PP01 Purchasing Policy has been followed and complied with.

COMMUNITY ENGAGEMENT REQUIREMENTS

14. Nil.

FINANCIAL CONSIDERATIONS

15. The cost for this IT Infrastructure replacement will be funded from the 2013/2014 budget approved previously by Council for this project.
16. Costs for the various components of the RFQ are detailed in the evaluation report (Confidential Attachment 1).
17. The contract price for the recommended supplier is \$633,767.00 (excluding GST).

STRATEGIC COMMUNITY PLAN

Strategic Planning Alignment

18. *Kalamunda Advancing: Strategic Community Plan to 2023*
Strategic Priority 6: Kalamunda Leads: Providing good government.
OBJECTIVE 6.6 - To ensure excellent information, technology and communications services are being consistently delivered.
Strategy 6.6.2 Develop, implement and review a strategic information technology plan that identifies the ongoing technology needs and funding for the Shire over the next decade.

SUSTAINABILITY

Social Implications

19. Nil.

Economic Implications

20. Nil.

Environmental Implications

21. Nil.

RISK MANAGEMENT CONSIDERATIONS

- 22.
- | Risk | Likelihood | Consequence | Action/Strategy |
|---------------------------|------------|-------------|---|
| Delay in equipment supply | Unlikely | High | To approve the purchase and expedited order of the equipment as soon as possible.
Non approval will result in a financial impact in requiring an extension of the current lease arrangement. |

OFFICER COMMENT

23. The current solution has been carefully designed and architected to the Shire's specific current and future requirements. The current infrastructure continues to fail and cause several user issues. This core infrastructure replaces the mission critical components of the Shire's IT systems.
24. Part D of the proposal represented a significant difference in price concerning the IT Security component. The difference in the two solutions presented was the submission by Datacom addressed the specific criteria in the RFQ and presented a detailed design offering a dedicated next generation firewall. This is considered the preferred option for future protection.
25. This provides the Shire of Kalamunda security capabilities such as data loss prevention and protection from web-based threats. This is increasingly important as all of our finances, assets and constituent's information resides in the IT Databases and we will also be opening access to wireless users which requires further security controls.
26. The solution put forward by Annitel was non-compliant in that a selection of IT Security appliances were put forward but with little or no design making it difficult for the panel to ascertain whether their proposal would use multiple technologies to control network access, detect attacks.
27. This IT Infrastructure replacement program will enable the Shire to relinquish part of the incumbent Macquarie IT leased equipment providing the Shire with a stable core allowing for reliability, business continuity, growth and future proofing the organisation with a modern network including wireless and highly effective security, underpinning the Shire's services through the ten year strategic plan.

Voting Requirements: Simple Majority

RECOMMENDATION

That Council:

1. Award the contract for the IT Infrastructure Replacement to Datacom at a cost of \$633,767.34 (ex GST).

Moved:

Seconded:

Vote:

Confidential Attachment 1

Reason for Confidentiality: *Local Government Act 1995 S5.23 (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."*

Provided under separate cover.

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

10.3.5 Councillor Fees, Expenses and Allowances for 2013/2014

Previous Items	N/A
Responsible Officer	Chief Executive Officer
Service Area	Office of the Chief Executive Officer
File Reference	OR-ELM-007
Applicant	N/A
Owner	N/A
Attachment 1	Cost of possible options for new fees, expenses and allowances.

PURPOSE

1. For Council to consider and approve the new Councillor fees, expenses and allowances to apply for the 2013/2014 financial year.

BACKGROUND

2. The level of fees, expenses and allowances for elected council members ("Councillors") has until recently been set by regulation under the *Local Government Act 1995* ("the Act"). On 5 February 2013 amendments to the Act were proclaimed which provided the level of fees, expenses and allowances for councillors are to be set by the Western Australian Salaries and Allowances Tribunal ("the Tribunal").
3. Following a thorough enquiry required by its governing legislation, the Tribunal released its first determination on 19 June 2013, with the new amounts to apply from 1 July 2013. A comparison of the current fees, expenses and allowances and the new amounts applicable to the Shire of Kalamunda ("the Shire") is provided in Point 11 below.
4. The time of the release of the Tribunal's determination did not provide sufficient time to incorporate the new amounts into the 2013/2014 Budget, prior to its adoption on 24 June 2013.

DETAILS

5. The Act confers entitlements to claim fees, expenses and allowances on individual Councillors. It also provides the Tribunal with the capacity to determine either particular amounts for these payments or a range within which the relevant local government sets the amounts. Those fees, expenses and allowances which are legislated as entitlements of a councillor cannot be taken away by any decision or action of the council.
6. Where the Tribunal has chosen to determine minimum and maximum amounts for fees, expenses or allowances there is an obligation on local governments to set the amounts to be paid, or reimbursed, within the range determined.

7. Fees, expenses and allowances for councillors were set by regulation in 1996 following the introduction of the Act. Adjustments to fees, expenses and allowances have been made twice since then – in 1999 and most recently in 2005. In accordance with section 8 (d) of the *Salaries and Allowances Act 1975*, not more than a year is to elapse between one determination and another under section 7B (2). Hence adjustments to the fees, expenses and allowances payable to council members will be made regularly under the new legislation. These adjustments will be published in determinations which must be in writing, signed by the members and come into operation on a date specified in the determination. The determinations will be published in the *Western Australian Government Gazette*.
8. In making its determination the Tribunal has established five Bands and grouped each local government within one of the Bands. The Shire of Kalamunda has been placed into Band 2. At this point in time the Bands are utilised to determine the level of fees for meeting attendance fees and the Local Government Allowance for Mayors/Shire Presidents and Deputy Mayors/Deputy Shire Presidents.
9. The fees for meeting attendance can be paid on a per meeting basis or an annual allowance. Both have minimum and maximum components. The Shire has traditionally paid an annual allowance.
10. The most significant changes from the Tribunal's determinations affecting the Shire are with respect to the annual allowance for meeting attendance and the annual allowance for the President and Deputy Shire President.
11. The following table provides a comparison summary of the changes:

Annual Allowance for Councillor			
<i>Current Minimum</i>	<i>Current Maximum</i>	<i>New Minimum</i>	<i>New Maximum</i>
\$2,400	\$7,000	\$14,500	\$22,000

Annual Allowance for Shire President			
<i>Current Minimum</i>	<i>Current Maximum</i>	<i>New Minimum</i>	<i>New Maximum</i>
\$6,000	\$14,000	\$14,500	\$29,500

Local Government Allowance for Shire President			
<i>Current Minimum</i>	<i>Current Maximum</i>	<i>New Minimum</i>	<i>New Maximum</i>
\$600	\$12,000	\$15,000	\$60,000
Or 0.002% of the operating revenue, whichever is the greater amount, but not to exceed \$60,000			

Local Government Allowance for Deputy Shire President	
<i>Currently</i> – Up to 25 % of the Shire President's Allowance	<i>New</i> – up to 25% of the Shire President's Allowance

STATUTORY AND LEGAL CONSIDERATIONS

12. Compliance with sections 5.98 to 5.100 of the *Local Government Act 1995*.

POLICY CONSIDERATIONS

13. There is no policy applicable to this matter.

COMMUNITY ENGAGEMENT REQUIREMENTS

14. Community engagement is not applicable to this matter.

FINANCIAL CONSIDERATION

15. An increase in the fees, expenses and allowances paid to Councillors will need to be accommodated within the 2013/2014 Budget.

STRATEGIC COMMUNITY PLAN

Strategic Planning Alignment

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

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

Strategy 6.1.1 Implement strategies to promote and attract a diverse representation to the Council.

Strategy 6.1.2 Develop and implement a governance framework to ensure the elected body has a very clear understanding of its role and responsibilities.

SUSTAINABILITY

Social Implications

17. Nil.

Economic Implications

18. Nil.

Environmental Implications

19. Nil.

RISK MANAGEMENT CONSIDERATIONS

20.

Risk	Consequence	Likelihood	Mitigation
Adopting a minimum fee structure will undervalue councillors efforts	Low	High	Adopt a structure that is in line with industry practice
Adopting a maximum fee structure will be perceived as costly to the ratepayers	Low	High	Communicate to the community the time and effort required to be a councillor

OFFICER COMMENT

21. It is clear from the relevant legislation and Parliamentary debates on the Local Government Amendment Bill 2011, that the fees, expenses and allowances to which they refer are not intended to be full time salaries for councillors. There is a recognised element of voluntary community service in the role of councillors.
22. There is a view in the local government sector that increasing the compensation of councillors will attract greater attention, participation and interest from the community, particularly as Local Government amalgamations will create much larger and more complex organisations.
23. A number of options have been prepared which provide an assessment of the financial impact of the increases in the fees, expenses and allowances.

Voting Requirements: Absolute Majority

RECOMMENDATION

That Council:

1. Pursuant to section 5.99 (b) of the *Local Government Act 1995* adopts the following annual fees for the payment of Councillors in lieu of individual meeting attendance fees:
- | | |
|-----------------|----------|
| Shire President | \$29,500 |
| Councillors | \$22,000 |
2. Pursuant to Section 5.98 (5) (b) of the *Local Government Act 1995* adopts the following annual local government allowance to be paid in addition to the annual meeting allowance:-
- | | |
|-----------------|----------|
| Shire President | \$60,000 |
|-----------------|----------|

-
3. Pursuant to Section 5.98A of the *Local Government Act 1995* adopts the following annual local government allowance to be paid in addition to the annual meeting allowance:-

Deputy Shire President	\$15,000
------------------------	----------

4. Pursuant to Section 5.99A (b) of the *Local Government Act 1995* adopts the following annual allowances:-

Information, Communications and Technology	\$3,500
Travel and Accommodation	\$50

Moved:

Seconded:

Vote:

Attachment 1

Costs of possible options for new Councillor fees, expenses and allowances

Part A – Current Councillor fees, expenses and allowances

Councillor Annual Allowance - \$7,000	Cost - \$77,000
Shire President Annual Allowance - \$14,000	Cost - \$14,000
	Sub Total - \$91,000
Shire President Annual Local Government Allowance - \$14,000	Cost - \$14,000
D/Shire President Annual Local Government Allowance - \$2,900	Cost - \$2,900
	Sub Total - \$16,900
Telecommunications Allowance - \$2,400	Cost - \$28,800
Information Technology Allowance - \$1,000	Cost - \$12,000
	Total Cost - \$148,700

Part B – Possible options for level of new fees, expenses and allowances

	Minimum	Midpoint of Minimum/Maximum	Maximum
Councillor Ann Allow	\$14,500	\$18,250	\$22,000
Shire Pres Ann Allow	\$14,500	\$22,000	\$29,500
Total Cost	\$174,000	\$222,750	\$271,500
<i>Cost of Increase</i>	<i>\$83,000</i>	<i>\$131,750</i>	<i>\$170,500</i>
Shire Pres LG Allow	\$15,000	\$37,500	\$60,000
D/Shire Pres LG Allow	\$3,750	\$9,375	\$15,000
Total Cost	\$18,750	\$46,875	\$75,000
<i>Cost of Increase</i>	<i>\$1,850</i>	<i>\$29,975</i>	<i>\$58,100</i>

Telecommunications and Information Technology Allowances

These allowances have now been combined into one allowance – Information Communication and Technology [ICT] – Minimum Annual Allowance \$500 and a Maximum of \$3,500. A move to the new maximum allowance would incur a cost increase of \$1,200.

Annual Allowance for Travel and Accommodation

The Tribunal has introduced an initial Annual Allowance in lieu of the current situation which requires councillors claiming actual expenditure each time. The new amount is \$50/annum. The total cost of introducing this allowance is \$600.

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

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

10.3.6 Submission to the WA Local Government Advisory Board – Shire of Kalamunda

Previous Items	OCM 116/2013 (26 August 2013) OCM 31/2013 (25 March 2013) OCM 214/2011 (19 December 2011)
Responsible Officer	Chief Executive Officer
Service Area	Office of the Chief Executive Officer
File Reference	
Applicant	N/A
Owner	N/A
Attachment 1	Submission to the WA Local Government Advisory Board
Attachment 2	Plan of Proposed District Boundaries
Attachment 3	Changes to District Boundary proposed by the City of Swan.

PURPOSE

1. For Council to consider and endorse the submission to the WA Local Government Advisory Board (“LGAB”) to abolish the local government districts of the Shire of Kalamunda (“the Shire”) and City of Belmont and create one local government.

BACKGROUND

2. The State Government commenced a comprehensive review of Perth metropolitan local government in June 2011 with the appointment of a Review Panel chaired by Professor Alan Robson.
3. The Panel’s purpose was to recommend appropriate boundaries and governance models for local governments in the Perth metropolitan area.
4. The Panel released a series of draft recommendations in April 2012 and final recommendations in October 2012. The Shire made submissions on both the draft and final recommendations with one of the key comments being that it wished to remain as it is and not be amalgamated with any other local government.
5. On 30 July 2013 the Minister for Local Government announced the Government’s response to the Review Panel, particularly with respect to the State Government’s proposed model for 14 local governments in the Perth metropolitan area. These changes are to be implemented with effect from 1 July 2015.

6. Council at its meeting in August 2013 resolved (OCM 116/2013) in response to the Minister's announcement for an amalgamation between the Shire of Kalamunda and City of Belmont to:
 1. *Receive the Metropolitan Local Government Reform report.*
 2. *Provide in principle support to the Minister for Local Government's Metropolitan Reform proposal released on 30 July 2013 for a merger and modification of the Shire of Kalamunda, City of Belmont and portion of the City of Swan.*
 3. *Notifies the City of Belmont of its preference for a joint proposal to be made to the Local Government Advisory Board regarding the merger proposal as presented by the State government with some minor boundary adjustments yet to be determined.*
 4. *Establishes a Local Implementation Committee ("LIC") comprising the following Shire of Kalamunda representatives to progress the joint submission on the merger proposal:*
 - a. *The Shire President.*
 - b. *Chief Executive Officer.*
 - c. *Cr John Giardina.*
 - d. *Cr Noreen Townsend as a deputy representative for the LIC as required.*
 5. *Notifies the City of Gosnells, City of Swan and Shire of Mundaring that the Shire is prepared to consider any minor boundary adjustments that may be beneficial to either or both of the new local government entities.*
 6. *Requests the development of a Communications Plan to support the amalgamation processes.*

DETAILS

7. In line with Council's resolution of the 26 August 2013, the next stage of the reform process involves lodging the Shire's submissions with the LGAB by 4 October 2013 in relation to the Government's proposals.
8. The proposed model of 14 local governments for the Perth metropolitan area contained details of changes for the Shire of Kalamunda which involves an amalgamation with the City of Belmont. Some additional land is to be added to the combined entity from the Cities of Canning and Swan.
9. The State Government has advised all local governments affected by its proposals that the boundary changes are to be implemented without significant modification. Minor adjustments involving very small areas will be considered.
10. Submissions are to be made in accordance with the relevant provisions of the *Local Government Act 1995*. However, preliminary advice from the Department of Local Government and Communities ("DLGC") to date indicates that any submission should be relatively simple and excessive detail will not be required
11. On this basis, the Shire's submission sets out the reasons for making a proposal and the effects of that proposal on the local governments involved. In order to provide this information, the following matters have been considered:

-
- Community of interests.
 - Physical and topographic features.
 - Demographic trends.
 - Economic factors.
 - The history of the area.
 - Transport and communication.
 - Matters affecting the viability of local governments.
 - The effective delivery of local government services.
12. Should a local government not accept the proposed changes, the State has indicated that it reserves the right to dismiss the elected Council and install a Commissioner to progress the changes. Whilst an obvious threat to ensure the proposed changes are implemented, it is considered that the possible appointment of a Commissioner to the Shire would result in the Council losing its opportunity to continue to be involved in the creation of the new entity and therefore not be in the interests of the ratepayers.
13. It is also expected by the State that the affected local governments for each proposal will make a joint submission to the LGAB. If the affected local governments are not in agreement, then individual submissions are to be made.
14. The City of Belmont at this stage has indicated that it is not prepared to make a joint submission unless agreement can be reached on its requirements with respect to equal councillor representation for the new entity. The Shire has advised the City of Belmont that such a representation model would seem counter to the principles set out by the State Government reforms to the Electoral Act 1907 in 2005, the principles of equal suffrage and would be inconsistent with the provisions of Schedule 2.2 of the *Local Government Act 1995*. Moreover, it is contrary to the consistent approach of the LGAB of favouring balanced representation across local government.
15. The Shire understands from the DLGC, that at this point in the process agreement on representation, and related issues, is not critical for submitting the amalgamation proposal. The Shire has been advised that once the boundary proposals have been lodged by the 4 October 2013 with the LGAB, the LGAB will then seek further information in all matters including councillor representation. The amalgamating local governments will be requested to submit their views and proposals on a range of matters, amongst them will be councillor representation and the LGAB will make a recommendation to the Minister on all such matters.
16. Notwithstanding the advice from the DLGC, the Shire has been formally notified by the City of Belmont they cannot agree to a joint submission whilst the councillor representation issue remains unresolved. In light of this response the Shire has decided to make a conforming individual submission as it cannot accede to the City of Belmont's request. The Shire is resolved in its view that a "one vote equal value" system of representation should prevail from the inception of the new entity.

17. Following discussions and written contact with all local governments that have an adjoining district boundary with the proposed new local government, it is considered that the boundaries as proposed by the State are acceptable, with one minor amendment involving the boundary with the City of Swan.
18. The City of Swan has proposed a further amendment to the proposed boundary to include some land owned by the Perth Airport which has not been included in the current proposal (Attachment 3). The Shire considers the proposal by the City of Swan acceptable and in accord with the State proposal to incorporate all of the land owned by the Perth Airport within one local government district.

STATUTORY AND LEGAL CONSIDERATIONS

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

POLICY CONSIDERATIONS

20. Nil.

COMMUNITY ENGAGEMENT REQUIREMENTS

21. Whilst there is no requirement for community engagement with respect to the proposal at this point, the Shire has previously conducted extensive community consultation, including a community poll in May 2013.

FINANCIAL CONSIDERATION

22. There will be significant financial implications arising from this proposal. This will include considerable costs to implement the amalgamation, however, it is anticipated that strong fiscal management over the longer term should bring benefits to the new entity.
23. A submission to the LGAB that aligns with the State proposal triggers qualification for a grant from the State of up to \$200,000 for each of the 14 proposals to assist with initial implementation costs. Should one of the local governments in any proposal not qualify for grant funding then the entire grant can be allocated to other local government/s within that proposed grouping. The Shire has submitted an application for this grant funding.

STRATEGIC COMMUNITY PLAN

Strategic Planning Alignment

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

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

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

SUSTAINABILITY

Social Implications

25. The implications for the Shire of Kalamunda community as a result of an amalgamation with Belmont will have significant social impacts which will be beneficial in some instances and detrimental in others. There is no one body of research that has been undertaken to date that clearly outlines the impacts and benefit on social capital in a reform process.

Economic Implications

26. The Shire of Kalamunda will likely benefit financially from an amalgamation with the City of Belmont because the proposal will see a more equitable and wider dispersion of the \$7mil ex gratia payment made by the Perth Airport to the communities that surround the airport and are impacted by its activities. These impacts included flights paths over the hills and foothills region, as well as significant vehicle traffic generated from airport activities and ancillary industrial activities that surround the airport.

Environmental Implications

27. Nil.

RISK MANAGEMENT CONSIDERATIONS

- 28.

Risk	Likelihood	Consequence	Action/Strategy
The Shire does not make a submission to the LGAB that is generally in alignment with the State proposal.	Low	High	If the Shire does not make a submission in alignment with the State proposal, the elected Council can be dismissed and replaced by a Commissioner.

OFFICER COMMENT

29. Although the State's proposal is not the Council's preferred outcome, it is the next most acceptable and the Shire is willing to participate civilly in the reform process.
30. The submission to the LGAB has been prepared on this basis and covers in sufficient detail all of the topics required by the Act.
31. The Shire of Kalamunda notes, that whilst to date, relations with the City of Belmont have been strained over the issue of Councillor representation, if the LGAB accepts the amalgamation proposal the two entities will need to find a way to work cooperatively towards the formation of a new entity. It may be necessary to appoint an independent facilitator to assist the Local Implementation Committee during the transition process.

Voting Requirements: Simple Majority

RECOMMENDATION

That Council:

1. Endorses the submission to the WA Local Government Advisory Board (Attachment 1) and the proposed new District Boundaries (Attachment 2).
2. Requests the Chief Executive Officer to lodge the Shire of Kalamunda's submission to the Local Government Advisory Board before the 4 October 2013.
3. Writes to the City of Belmont advising of the Shire of Kalamunda's submission and seeking their agreement for an independent facilitator to be appointed to the Local Implementation Committee.

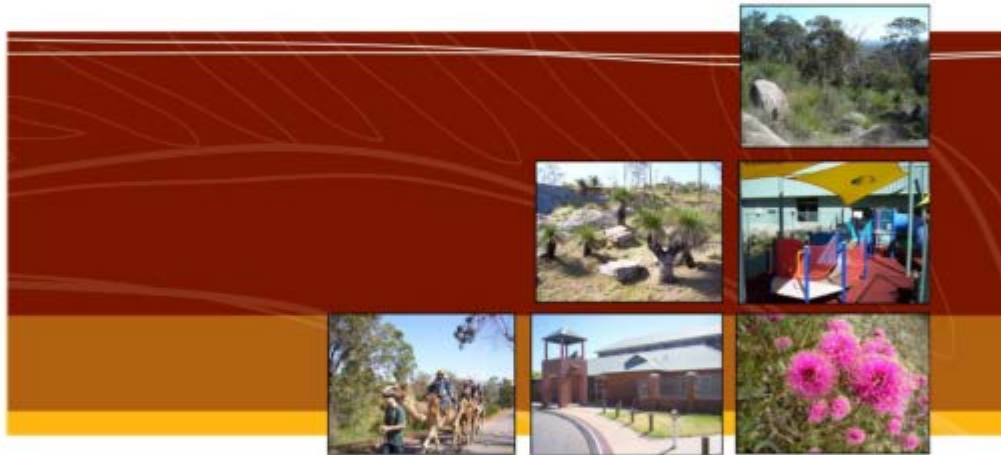
Moved:

Seconded:

Vote:

Attachment 1

SHIRE OF KALAMUNDA
ABOLITION OF LOCAL GOVERNMENTS AND DISTRICT BOUNDARY
CHANGES
SUBMISSION TO THE WA LOCAL GOVERNMENT ADVISORY BOARD



**shire of
kalamunda**

SHIRE OF KALAMUNDA
ABOLITION OF LOCAL GOVERNMENTS AND DISTRICT BOUNDARY CHANGES
SUBMISSION TO THE WA LOCAL GOVERNMENT ADVISORY BOARD

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SHIRE OF KALAMUNDA

ABOLITION OF LOCAL GOVERNMENTS AND DISTRICT BOUNDARY CHANGES

SUBMISSION TO THE WA LOCAL GOVERNMENT ADVISORY BOARD

PROPOSAL

That the Districts of the Shire of Kalamunda and City of Belmont be abolished to form a new local government with additional amendments to district boundaries involving the Cities of Swan and Canning.

NATURE OF THE PROPOSED NEW BOUNDARIES

The Shire of Kalamunda proposes that:

1. The whole of the existing local government districts of the Shire of Kalamunda and the City of Belmont be abolished to create one "new" local government district as shown on the enclosed Plan.
2. Portions of the Cities of Canning and Swan be incorporated into the proposed "new" local government district as shown on the enclosed Plan.

This proposal varies slightly from that announced by the State Government on 30 July 2013, by the inclusion, from the City of Swan, of a small amount of additional land owned by the Commonwealth and under the control of the Perth Airport. The land involved is located in the vicinity of Abernethy Road, Talbot Road and Adelaide Street, Hazelmere.

It is understood that the minor adjustment is supported by the Shire of Mundaring, the City of Swan, the City of Belmont and the Perth Airport who have all been consulted. It is believed that the original intention of the State was to incorporate the entire Perth Airport land to be within one local government authority. This minor boundary adjustment will seek to address this anomaly.

RATIONAL FOR THE PROPOSED ABOLITION OF THE LOCAL GOVERNMENTS AND ADDITIONAL DISTRICT BOUNDARY CHANGES

The Shire of Kalamunda considers there are benefits from this proposal that can be clearly demonstrated, including:

Longer term financial viability

Whilst it is acknowledged there will be costs associated with this proposal that could impact on the financial resources of the new entity in the immediate period, post the amalgamation, it is considered that the combined resources of the two current local governments will provide a platform for longer term financial viability.

The current City of Belmont has well developed residential, commercial and industrial areas, with a focus on infill redevelopment to provide growth, whilst the current Shire of Kalamunda has both green fields and infill redevelopment in both residential and commercial/industrial sectors. The combination of these factors will establish a rate base capable of providing sufficient funding to enable the new entity to meet the requirements for services from all sectors of the district.

The Shire of Kalamunda's long term financial plan indicates that it is in a financially sustainable position, with its key financial ratios showing performance improving over the next ten years.

The Shire's 2013/2014 Budget showed that rates were raised in the following categories –

General GRV	\$21,127,196	73.8%
Industrial GRV	\$3,585,086	12.5%
Commercial GRV	\$1,803,447	6.3%
Vacant GRV	\$1,549,327	5.4%
General UV (rural land use)	\$433,068	1.5%
Commercial UV (rural land use)	\$133,006	0.5%
Total Rates	\$28,631,130	

The majority of the Shire's rates are clearly in the General GRV category, which is made up of residential properties. Industrial and commercial properties, which have a higher rate in the dollar, make up only 19% of the total rates raised.

For comparison, the City of Belmont's 2013/2014 Budget shows rates raised in the following categories –

Residential	\$15,163,277	40.6%
Industrial	\$7,093,392	19%
Commercial	\$7,928,697	21.2%
Marina	\$4,881	0.1%
Airport	\$7,093,392	19%
Total Rates	\$37,336,133	

Industrial and commercial properties in the City of Belmont provide 40% of the rates, with the airport providing an additional 19%.

The Shire has a number of plans in place to increase its level of industrial land development. An increased proportion of commercial and industrial properties would reduce the burden on residential ratepayers in the newly created local government and improve long term financial sustainability.

The Department of Local Government's Integrated Planning and Reporting Framework required both the Shire and the City to develop asset management plans and long term financial plans. These plans will place the new local government in a good position to plan for the future and ensure that its assets are maintained at an acceptable level.

Improved use of resources

It is anticipated that there will be many opportunities to implement efficiencies in utilisation of resources across the new organisation from obvious synergies and a detailed assessment of the services provided to eliminate duplication. Any savings identified through this process will also provide added strength to the financial viability of the new entity.

Larger local governments will have greater purchasing power, and may therefore obtain more beneficial purchasing arrangements. The new local government will therefore be able to use less of its resources on contracts and materials, and instead focus more on service provision, project delivery and asset management.

In the short terms there will be up to 1 million dollars in savings on executive salaries and in the longer term, there is likely to be a reduction in salary and wage expenditure, as duplicated positions are rationalised.

Plant and equipment, for example waste collection trucks or road construction plant, may be able to be reduced, depending on the extent of their use. Similarly, there may be scope to rationalise community buildings and facilities.

Increased range of services

A larger local government with increased and stronger financial viability will provide the new entity with an increased capacity and a better framework to assess the range of services provided to all sectors of the community. This may provide for the expansion of a service already provided or meet identified needs not already serviced by the current individual local governments. Service areas that could immediately benefit include seniors and aged services, economic development, environmental sustainability, youth services, disability services and health and wellbeing services.

Services that are provided to ratepayers and residents will be streamlined and/or enhanced wherever possible. For example, there will be consistent requirements across the whole local government in regard to planning and building approvals. This will clearly be beneficial for developments that span the current boundaries, or for businesses who currently deal with the two individual local governments (for example, a housing construction company may have to lodge quite different applications for building approval depending on whether they are building in the City or the Shire).

There are many services that are provided by both the Shire and the City. For example, waste collection, regulatory approvals and compliance monitoring, road and footpath construction and maintenance, and home and community care for the frail aged and disabled. Coordinating and rationalising these services will lead to longer term savings, a more consistent approach across the community, and will allow for new or expanded services to be provided in the future.

Where a service is currently provided by only one of the existing local governments, discussion and agreement will need to occur between the merging partners to determine whether or not the service will be retained.

Ability to attract and retain with appropriate skill sets

A larger local government that has the capacity to provide a more diverse range of services will have the ability to develop a workplace that provides interesting and challenging opportunities for staff. This would provide the new entity with an increased ability to compete in the marketplace to attract and retain staff with the appropriate skill sets and experience to develop and deliver these services.

The Metropolitan Local Government Review Panel has posited that larger local governments will be better able to attract and retain highly skilled staff. This may be due to the ability to offer more competitive wages and working conditions, or the increased scope for more strategic, high-level work.

Potential employees who are looking for the challenge of working on large-scale projects and initiatives will be more drawn to the new local government, particularly as employment opportunities in the mining and industrial sectors decline.

Another benefit a larger Local Government Authority has over a smaller authority is the ability to offer higher salaries and to therefore compete for technical skills against the private sector. There may also be greater scope for specialisation as the size of the workforce increases. For example, a larger local government may be able to employ an in house lawyer.

Improved ability to deliver projects

The ability to attract more skilled and experienced staff will provide the new local government with greater capacity in the area of project management. Experienced Project Managers will be able to guide projects through to completion, and reduced staff turnover will allow a consistent approach and greater historical knowledge. Similarly, improved long-term financial planning will allow projects to be planned for more effectively.

The increased land area and diversity of existing development will allow much more large-scale and long term strategic projects to be considered. The needs of the whole community can be considered and planned for. In addition, with fewer local governments across the whole metropolitan area, there may be a greater scope for projects to be coordinated between neighbouring local governments, simply because fewer parties will need to be involved in negotiations.

Larger local governments will have a greater ability to advocate and negotiate with the State and Federal Governments. There will also be fewer local governments competing for available funding. This should lead to increased grant funding for the delivery of projects.

Stronger local government with greater ability to effectively enter into partnerships with State and Federal Governments

The Metropolitan Local Government Review Panel asserts in its Final Report that the Commonwealth Government prefers to deal with larger local governments with greater populations. If this is the case, then clearly the proposed new local government will be better placed to negotiate and form partnerships.

A larger local government with increased financial and other resources capacity will provide a stronger framework to enable it to more effectively partner with the State or Federal Government in the development and delivery of a range of services to the community. There should also be a greater capacity to seek and receive grant funding to assist in the provision of services or construction and management of infrastructure assets.

Strategic importance for State – Airport and Road and Rail Freight terminals with associated Industrial Land under 1 local government

The proposed new local government will bring together under one decision making and planning entity some of the most strategically important infrastructure assets of the State and Federal Governments, including the Perth Airport and road and rail freight routes and terminals. Additionally, there is a significant amount of industrial/commercial land associated with these activities that will now be under the control of one local government.

All of these assets have significant strategic value and importance in supporting the ongoing and future development of the State and Federal economy and having a framework for consistent decision making planning and management is vital for these assets.

There is great potential for growth in the vicinity of the Perth Airport, the Forrestfield freight terminal, and transit-oriented development related to the proposed new train station in the current Shire of Kalamunda. Much of this development is inter-related, for example, Abernethy Road provides a link between the airport (Belmont) and the freight industries in Forrestfield and High Wycombe (Kalamunda). Bringing these areas under the control of a single local government will allow planning and development to be coordinated and consistent.

IMPACT ON THE VIABILITY OF THE LOCAL GOVERNMENTS

Some initial impact arising from establishing a new entity – both financial and operationally

Harmonisation of rating structures

The current rating structures of the City and the Shire are similar. The most obvious difference is the Shire of Kalamunda has land that is rated on its Unimproved Value (UV). This rating method, under the *Local Government Act 1995*, is to be applied to land that is predominantly used for rural purposes. As the Shire contains a number of large-scale orchards, as well as some grazing and pasture land, it has properties that are rated in this manner. At the time of the 2013/2014 budget being set, there were 300 UV-rated properties, being 1.4% of the total number of properties in the Shire. This number is expected to decrease further in the future, as more large landholdings are subdivided into smaller residential or "hobby farm" type properties.

2013/2014 Rating Structures:

Rate Category	Authority	Number of Properties	Rate or Charge	Variance
Residential GRV	Kalamunda	18,135	0.05738	Kalamunda 4.4% higher
	Belmont	11,789	0.054855	
Industrial GRV	Kalamunda	237	0.06727	Kalamunda 5% higher
	Belmont	447	0.063906	
Commercial GRV	Kalamunda	260	0.06306	Belmont 0.9% higher
	Belmont	861	0.063632	
Vacant GRV	Kalamunda	565	0.08	n/a
General UV	Kalamunda	228	0.00273	n/a
Commercial UV	Kalamunda	60	0.003	n/a
Marina	Belmont	1	0.063632	n/a
Airport	Belmont	1	0.063632	n/a
Minimum Rated – Residential GRV	Kalamunda	1,978	\$755	Equal
	Belmont	4,002	\$755	
Minimum Rated – Industrial GRV	Kalamunda	19	\$850	Belmont 6.5% higher
	Belmont	8	\$905	
Minimum Rated – Commercial GRV	Kalamunda	38	\$800	Belmont 11.3% higher
	Belmont	269	\$890	
Minimum Rated – Vacant GRV	Kalamunda	479	\$755	n/a
Minimum rated – General UV	Kalamunda	3	\$755	n/a
Minimum Rated – Commercial UV	Kalamunda	9	\$800	n/a

The rates in the dollar for the two local governments are very similar. The greatest difference is in the Industrial GRV category, with the City of Belmont's rate in the dollar being 5% lower than Kalamunda's. The total number of industrial properties across the two local governments was 684, with a total valuation of \$163,937,891, according to the respective budgets for 2013/2014. This means the average industrial property has a valuation of \$239,675. Using the current rates in the dollar, this would be an annual rate levy of \$16,123 in Kalamunda and \$15,317 in Belmont.

The major difference that can be seen is in the minimum charges that are levied, with the City of Belmont having an equal or higher minimum in each category. This affects far fewer properties than the general rate in the dollar.

The similar rates that are charged by the Shire and the City should lessen the impact of amalgamation on ratepayers. The new entity will be in a good position to harmonise the rates so there is unlikely to be any significant rise or fall in rates charged on each individual property in the amalgamated entity.

Impacts upon Grants structures

It is difficult to predict the impact the joining of the two local governments will have on Grants. Roads Grants and Federal Assistance Grants are formula driven while Federal and State Road grants are largely based on need and priority.

Integration of Technology Systems

One of the most significant costs is any amalgamation of two organisations in the short term will be the realignment of information technology and communications (ITC). Until a full assessment of the current systems is undertaken it is again difficult to predict the cost and integration impacts of ITC.

Cultural Impacts upon Staff

Involving people and their creativity in building a new entity will be a challenge for the senior executive team of the new entity. If staff are managed through an effective change management program, they are communicated to regularly, effectively and honestly and they can see opportunities become apparent in the new organisation they will be engaged and motivated to build a successful organisation. Strong and visionary leadership will be essential.

The key to success will be leaders that understand the impact of change upon people, can design new organisations and the positions that will be needed and have a strong human resource, strategic and change management team in place to ensure the workforce is treated carefully and respectfully.

It is well known that the Shire of Kalamunda and the City of Belmont have highly stable and satisfied workforces. The reputation of both entities is good and both entities have diverse and highly dedicated workforces. The bringing together of the two workforces will present exciting opportunities for many of the existing staff. Broader roles, more multiskilling and greater diversity are all possible outcomes in an amalgamation scenario but maintaining a positive culture and attitude will be paramount.

Impacts on Long Term Plans

The Shire of Kalamunda and City of Belmont have invested significant resources in creating long term plans in line with the State's Integrated Planning Framework which include:

- Strategic Community Plan
- Long Term Financial Plan (10 Years)
- Workforce Plan
- Asset Management Plans
- Corporate Business Plan

The benefit for the new entity of having these Plans in place will be the existence of a blueprint for future planning.

CHARACTERISTICS OF THE SHIRE OF KALAMUNDA

Community of Interests

A "community of interests" includes those parts of a district that share common interests, values, characteristics and issues, giving rise to a separate sense of identity or community.

Factors contributing to a sense of identity or community include shared interests and shared use of community facilities. For example, sporting, leisure and library facilities create a focus for the community. The use of shopping areas and the location of schools also act to draw people together with similar interests.

Neighbourhoods, suburbs and towns are important units in the physical, historical and social infrastructure and often generate a feeling of community and belonging. Ideally, suburbs and towns would not be divided between different local governments.

Within the Shire of Kalamunda, it could be said that the larger suburbs are individual communities of interests – Forrestfield, High Wycombe, Maida Vale, Wattle Grove, Gooseberry Hill, Kalamunda and Lesmurdie. Residents within each suburb share community facilities, and would identify as being part of that community. The Shire's less populated suburbs to the east, such as Hacketts Gully and Pickering Brook, could be grouped together as a separate community, characterised by low-density housing, agricultural activities and a more 'rural' lifestyle.

An amalgamation between the City of Belmont and the Shire of Kalamunda will result in a very diverse and exciting local government area that will contain a broad mix of residential, commercial and light industrial properties, rural and semi rural activities, national and state forest as well as a significant water catchment area feeding into the Swan and Helena river systems. The merger will allow for the improved coordination of environmental management of such important environmentally sensitive and highly valued region. Within its boundaries, will also be included the Strategic Specialised Centre of the Perth Domestic and International Airports.

The most significant natural asset within the City of Belmont is the Swan river frontage. A place cherished by the community and utilised for its sporting and recreational attributes will provide the new local government with a beautiful entry statement. The concept of the river to range will be a branding advantage for the new entity to leverage in creating its new culture. Another significant advantage is the proximity of the City of Belmont to the Perth CBD. This will be another added benefit that will give the new local government a point of difference for marketing and positioning statements. The tyranny of distance that impacts negatively on the outer metropolitan local governments is somewhat overcome in the formation of the new Kalamunda – Belmont merger. The development of new rail infrastructure through Belmont and out to Forrestfield will be another significant factor in connecting the communities.

It could be argued that the existing interface between the Shire of Kalamunda and City Belmont in the suburbs of High Wycombe, Belmont, Kewdale and Forrestfield already have a sense of homogeneity as housing stock and socio-economic backgrounds are relatively aligned.

It will be through the significance of the regions' environmental and industrial attributes that provides for a new and more vibrant community of interest to emerge and to harmonise.

The new local government will be made up of the localities of Ascot, Redcliffe, Belmont, Cloverdale, Kewdale and Rivervale and is divided into four wards, namely East, Central, West and South. Forrestfield, High Wycombe, Maida Vale, Wattle Grove Kalamunda, Lesmurdie, Gooseberry Hill, Bickley, Canning Mills, Carmel, Hacketts Gully, Pickering Brook, Piesse Brook, Pauls Valley, Walliston. Bounded by river frontage on its western boarder to the tranquility of the national forest on its eastern border, the new local government will be unique, diverse and rich in natural and social assets.

Common Issues for the New Local Government

Other key issues that will further strengthen and develop the new local government will include:

- Ageing population services and increasing Aged accommodation.
- Dealing with the future of the Special Rural Areas and Orchard Areas in the Hills region.
- Supporting Industrial growth and employment; such as freight and logistics, State Intermodal Container Terminal 2, Rail connections, Airport connections and major Road via Roe Highway north and south and Tonkin Highway. All of which are a vital link to the State's growth in Technology Mining, Transport and Tourism.
- Supporting the Perth Airport growth and expansion.
- Improving Urban design and streetscape.
- Proving for affordable and mixed variety of Housing choices and development.
- Sustainable development based on Local Biodiversity and environmental planning.
- Increasing Public transport to Perth; including the integral in discussions relating to Airport rail link through to Forrestfield and High Wycombe.
- Facilitation of tourism development opportunities given the proximity to the airport, accommodation availability in Belmont and the natural eco tourism assets and facilities in the Perth Hills.
- Provision of community infrastructure and facilities in established and newly developed areas.

History of the Region

Prior to European settlement the Beeloo people occupied much of the land east of the Canning River in the Shire. In 1827 the Colonial Botanist Mr Charles Fraser and Captain James Stirling explored the region to evaluate its suitability for farming. Initially the area was used for forestry and orchards; fruit growing continues to be one of the major industries in the Shire today.

In 1897 the Darling Range Roads Board was formed, but it was not until a year later the first meeting was held, on 16 April 1898. The Townsite of Kalamunda was approved in 1902. In 1961 the Darling Range Roads Board was renamed the Shire of Kalamunda and in 1978 the Shire moved its operations to the current Administration Centre, in Railway Road. The most significant development occurred during the post-war years, particularly during the 1960s and 1970s. The population was relatively stable during the 1990s, and then increased slightly between 2001 and 2006, rising from about 46,000 in 2001 to nearly 49,000 in 2006.

Local industries include orchards, intensive horticulture activities, grazing, animal agistment, minor sawmills, poultry, Government Works Depot and the CBH state grain terminal. The Shire also encompasses rapidly growing urban areas in the foothills, such as Forrestfield, High Wycombe, Maida Vale, Wattle Grove and an expanding industrial and transport hub adjacent to Perth airport. The Shire is served by the Roe Highway and the Tonkin Highway

Major features of the Shire include Gooseberry Hill National Park, Kalamunda National Park, Lesmurdie Falls National Park, Darling Range Regional Park, Victoria Reservoir, Hartfield Park, Jorgensen Park, Pioneer Park, Kalamunda History Village, Kalamunda District Community Hospital, Perth Observatory, Bibbulmun Track, Hartfield Country Club, Hill View Golf Course, Pickering Brook Golf Course, the Kalamunda CBD, Forrestfield Forum Shopping Centre, several state forests and various wineries.

European settlement of the Belmont area dates from 1831, with land used mainly for farming. Horse racing was established in the late 1840s. Growth was minimal until the 1880s and 1890s, when many market gardens were established. The population grew gradually in the early 1900s, from about 1,100 in 1911 to about 4,000 in 1947. Significant development occurred in the post-war years, particularly during the 1950s and 1960s, aided by the construction of public housing. The population peaked in 1971 at about 32,000. The population then gradually declined to the early 1990s. The population increased slightly from the early 1990s, rising from about 27,000 in 1991 to about 30,000 in 2006. Most of this growth was in Redcliffe and Ascot, due largely to redevelopment.

Physical and Topographic Features

These may include both natural and man-made features, such as rivers and major roads, which create an obvious division between areas, and may act as a barrier to movement between adjoining areas.

The major waterway of the Helena River forms the boundary between the Shire of Kalamunda and the Shire of Mundaring. There are a number of small creeks and waterways within the Shire; however these are not dominant features in terms of topography.

Undoubtedly the two most dominant physical features of the region is the Darling Scarp, which separates the foothills and the hills areas and the Swan River. The land that lay between these two major natural boundaries includes creeks and tributaries that flow through the foothills and through the plains of Belmont into the Swan River. The opportunities for the development of water harvesting systems given the significant annual runoff would be a new opportunity for a larger and more prosperous local government entity.

The major roads and rail infrastructure in the region include - Leach Highway, Great Eastern Highway, Roe Highway, Tonkin Highway, Abernethy Road, Kalamunda Road and Welshpool Road East and the State's Intermodal depot for rail freight and the CBH Grain Terminal all create major barriers to movement across the region. However, for example, development on either side of Kalamunda Road or Welshpool Road is very similar.

Demographic Trends

Demography is the study of human populations, and how they change. Several measurements should be considered, such as population size, and the distribution of the population by age, gender, occupation and location.

Population growth within the Shire of Kalamunda over the next eight years could be expected to be significant.

Demographic trends vary significantly within the Shire. For example, the median age in Maida Vale is 37, and 45 in Kalamunda. Maida Vale has a higher proportion of people in full-time employment, higher median household income, and a lower rate of home ownership. Across the region there is an ageing population and infill housing renewal has increased the number of young families moving back as housing stock diversities increase. More affordable housing is still required as is aged care accommodation. The Fly In Fly Out (FIFO) population is significant within the region and creating high demand in rental properties which has resulted in an upward trend in property values.

The changing demographics within the region are creating greater demand for high quality diversified community recreation facilities and the provision of community facilities will need to be a strategic focus for the new entity.

Statistical comparison of Shire of Kalamunda and City of Belmont (*Source profile id*)

	Shire of Kalamunda	City of Belmont
Estimated Population	58,095	38,570
Area	324km ²	40km ²
Density	1.74 persons per hectare	9.69 persons per hectare
Workforce	28,175	18,262
Local Jobs	13,151	33,639
Worker Productivity	\$133,356	\$160,249
Unemployment	2.34%	5.08%
Gross Regional Output	\$2.369 billion	\$7.842 billion
Businesses	4,557	3,487
Percentage of FIFO Workers	1.7%	2.3%
Workers Commuting Outside LGA	17,582 (64.8%)	11,252 (65%)
Percentage of Workers Commuting	2.5% from Belmont	6.6% from Kalamunda
Building Approvals	\$124.606 million	\$386.168 million
Median Weekly Household Income	\$1,521	\$1,263
Average Household Size	2.6 people	2.35 people
Self-sufficiency	47%	184%
Self-containment	23%	21.3%
Dwellings	21,180	16,110
Internet Connection	74%	61%
Population over 64	13.9%	13.8%
Population under 25	33.5%	30.1%
Bachelor Degree or Higher	14.1%	16.7%
Socioeconomic Disadvantage Index	1051	990

Shire of Kalamunda

Economic Factors

Economic factors can be broadly interpreted to include any factor that reflects the character of economic activities and resources in the area, such as the industries which occur in an area, and the distribution of community assets and infrastructure.

With the exception of the rural fruit-growing region, the Shire of Kalamunda is largely defined as a "dormitory" suburb, that is, an area where most people reside but travel outside of to their place of employment. The rural region differs as it is the centre of a major fruit growing industry, of State-wide significance. Throughout the Shire there are other small isolated pockets of rural production, but many of these areas are largely in a holding state awaiting future subdivision.

The Access Park industrial estate development is mostly located in Forrestfield but crosses into High Wycombe in the north. This area has, and will have, a significant economic impact. There are also other small pockets of commercial/industrial development, such as the Walliston Industrial Park and the Dundas Road Forrestfield Industrial Area.

Community assets are reasonably distributed throughout the Shire but tend to be concentrated in the areas of highest population

The new entity will contain infrastructure of State significance, including the Perth Airport, the Kewdale Intermodal Freight depot and the State's bulk grain handling centre. The new local government will be intersected by a number of major roads and highways including, Great Eastern Highway, Orrong Road, Welshpool Road, Roe, Leach and Tonkin Highways.

The rapid growth and development of the mining, freight and aviation related industry and employment will have a direct impact on the new local government.

One of the key objectives of the new local government is to support the expansion of new industrial areas to take advantage of the State industrial and transport policies and opportunities at Perth Airport.

The State's Employment and Economic Land Use Strategy (EELS) also recognises the strategic significance of the region as being key strategic industrial and transport hub, to accommodate the rapid growth of freight industry in Perth.

The Shire of Kalamunda has recognised the strategic importance of the area and is in the process of undertaking structure planning of the area bound by Berkshire Road, Roe Highway, Poison Gully and Dundas Road for future industrial use.

REPRESENTATION

In forming a new local government entity the Shire proposes that Wards be created that are equal in elector representation. It will be important for the people of the former Shire of Kalamunda to know that they are starting in a new local government entity that is formed using the "One Vote Equal Value Principle".

Section 16G (2) of the *Electoral Act 1907* (WA) provides that:

"...for each district, the number of electors that the district would have had at the relevant day must not be more than 10% greater, or more than 10% less, than the average district enrolment at the relevant day."

The Second Reading Speech for the *One Vote One Value Bill 2005* (the Bill's title was subsequently changed to the name of and assented to as the *Electoral Amendment and Repeal Bill 2005*) which inserted section 16G, states that the bill seeks to remove the "malapportionment of electorates" and "achieve for all Western Australians a system of representative government in this state" (Hansard, 30/Mar/2005 pg. 63).

The *One Vote Equal Value Principle* has since become the accepted norm for the Western Australian voting populous. This principle has been applied by the Local Government Advisory Board (LGAB) as a policy position and has ensured that equity and democracy prevails for all voting citizens.

Information prepared by the LGAB to assist local governments in determining appropriate councillor representation as part of an amalgamation proposal clearly supports the one vote one value principle. The LGAB Guide states:

"The Board considers that the ratio of councillors to electors is always significant. It is expected that each local government will have similar ratios of electors to councillors across the wards of its district."

The LGAB Guide also provides the following statement:

"The Minister for Local Government (the Minister) has indicated that he will not consider changes to ward boundaries and representation that result in ward councillor/elector ratios that are greater than plus or minus 10 % of the average councillor/elector ratio for that local government."

Whilst there have been deviations from this principle in some local government mergers in Australia there is no empirical evidence to demonstrate that a deviation toward a disproportionate representation systems is actually effective. In fact, where it has been applied through Governor's Orders in country Western Australian; example such as the Shire and Town of Northam; this was achieved because it had been mutually agreed by both parties.

Applying the same approach in a scenario such as Kalamunda and Belmont whereby there is no mutual agreement is likely to result a very disharmonious union given the variation in electors in the two existing localities.

A merger between Belmont and Kalamunda gives rise to the issue of representation simply because Kalamunda and Belmont have a voting value ratio of 1:1.77.

This means that if the LGAB recommended that a disproportionate governing body be applied as a transitional model for the new entity this would mean that Kalamunda voters would have nearly half the value of their vote in comparison to a voter in the former Belmont area.

If applying this concept to other mergers being proposed in the Perth Metropolitan area this would result in even greater disproportionate elector's representation. For example in the case the Shire of Mundaring and the City of Swan, the City Melville with Fremantle and East Fremantle , Bayswater and Bassendean or Cockburn and Kwinana to name a few.

It would also be unfair to apply disproportionate elector's representation to some metropolitan mergers and not apply it consistently to all, and to avoid setting up an unfair system it would be advisable to maintain the existing principle of one vote equal value from the inception of the new entities to be created on 1 July 2015.

The Shire of Kalamunda will be advocating for the new local government to be formed with equal representation of voters assigned to a specified number of Wards. This approach is in keeping with the LGAB policy and the *Local Government Act 1995* that requires in an amalgamation consideration is given to the number of electors in a ward.

In support of this concept the Shire will argue strongly that equal representation will be the best and only way that a new entity will be able to function effectively without any legacy issues from the two former entities being carried forward which is the risk when applying a disproportionate model.

The following table highlights the disparity in voters' numbers across the two LGAs.

Shire of Kalamunda Existing Wards

	Suburbs	Approx. No of Electors
South West Ward	Forrestfield, Wattle Grove	9877
South East Ward	Kalamunda, Lesmurdie, Bickley, Canning Mills, Carmel, Hacketts Gully, Pickering Brook, Piesse Brook, Pauls Valley, Walliston	9029
North Ward	Kalamunda, Gooseberry Hill, Maida Vale	8785
North West Ward	High Wycombe, Maida Vale, Forrestfield	10145
		37836

Shire of Kalamunda

City Of Belmont Wards (as at October 2013)

	Suburbs	Approx. No of Electors
East Ward	Airport, Redcliffe and Ascot	6550
West Ward	Rivervale and Belmont	7643
South Ward	Kewdale and Cloverdale	7193
		21386

Total number of electors – 59222

WARDS

In relation to Ward structures for the new entity the Shire, at this point, does not have a preferred model but rather will foreshadow a range of options which will be discussed further through the LGAB consultative processes. Based on approximately 60,000 electors on establishment of the new local government, the following options for councillor representation could form the basis of the discussions:

Options	Number of Councillors per ward	Total councillors	Approx. Total number of electors
No wards		8-12	60,000
4 Wards	3 councillors	12	15,000
4 Wards	2 councillors	8	15,000
5 wards	2 councillors	10	12,000
6 wards	2 councillors	12	10,000
7 Wards	2 Councillors	14	8,500

CONSULTATION

City of Belmont

The Shire resolved at its Council meeting OCM 116/2013

That Council:

1. *Receives the Metropolitan Local Government Reform report.*
2. *Provides in principle support to the Minister for Local Government's Metropolitan Reform proposal released on 30 July 2013 for a merger and modification of the Shire of Kalamunda, City of Belmont and portion of the City of Swan.*
3. *Notifies the City of Belmont of its preference for a joint proposal to be made to the Local Government Advisory Board regarding the merger proposal as presented by the State government with some minor boundary adjustments yet to be determined.*

4. *Establishes a Local Implementation Committee ("LIC") comprising the following Shire of Kalamunda representatives to progress the joint submission on the merger proposal:*
 - a. *The Shire President.*
 - b. *Chief Executive Officer.*
 - c. *Cr John Giardina.*
 - d. *Cr Noreen Townsend as a deputy representative for the LIC as required.*
5. *Notifies the City of Gosnells, City of Swan and Shire of Mundaring that the Shire is prepared to consider any minor boundary adjustments that may be beneficial to either or both of the new local government entities.*
6. *Requests the development of a Communications Plan to support the amalgamation processes.*

The Shire had embarked on discussions with the City of Belmont to work towards a joint proposal based on the Minister's proposal. This process has broken down because of the issue of representation. Belmont has advised that unless the Shire agrees to a representation model that provides the same number of councillors to be elected from the former Belmont and former Kalamunda (*similar to what was applied in the merger between Shire of Northam and the City of Northam in 2007*) then it will not submit a joint a proposal.

The Shire of Kalamunda has advised it will not accede to this demand and has therefore submitted an individual proposal.

City of Swan

The Shire met with the City of Swan, City of Belmont, Shire of Mundaring and Perth airport representatives to discuss a minor boundary adjustment to bring a small portion of airport land into the new Kalamunda – Belmont entity. This minor boundary adjustment is incorporated into this proposal for approval by the LGAB.

City of Canning

The Shire has written to the City of Canning to advise them of the Shire's intention to lodge a submission in line with the Minister's proposal which would result in a portion of the former City of Canning north of Orrong Road in Kewdale being incorporated into the new Kalamunda – Belmont entity.

City of Gosnells

The Shire has written to the City of Gosnells to advise them of the Shire's intention to lodge a submission in line with the Minister's proposal which would have no impact on existing borders but would result in a portion of the former City of Canning north of Orrong Road in Kewdale being incorporated into the new Kalamunda – Belmont entity.

Shire of Mundaring

The Shire has written to the Shire of Mundaring to advise them of the Shire's intention to lodge a submission in line with the Minister's proposal which would have no impact on the existing boundaries.

Town of Victoria Park

The Shire has written to the Town of Victoria to advise them of the Shire's intention to lodge a submission in line with the Minister's proposal which would have no impact on the existing boundaries.

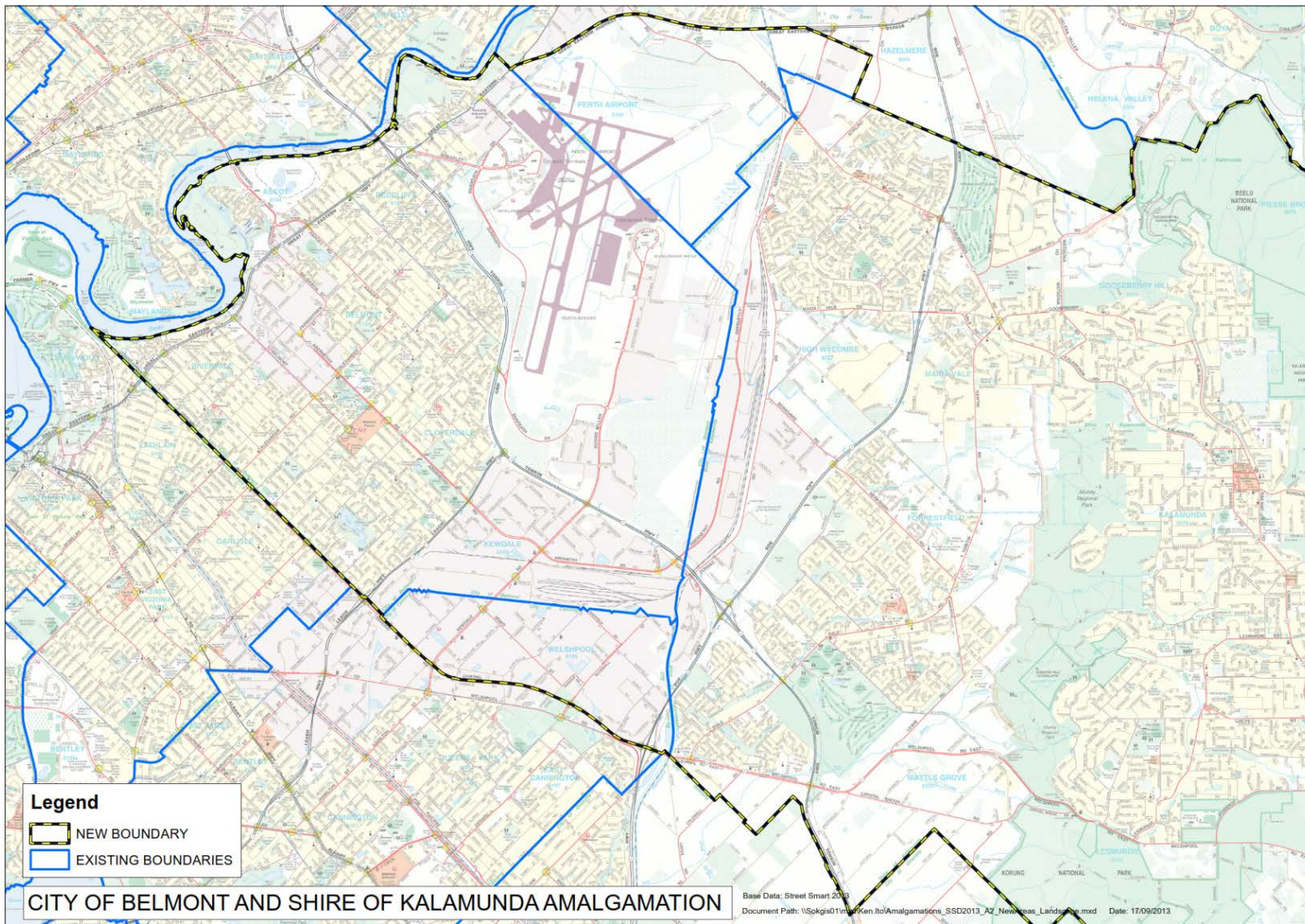
City of Armadale

The Shire has written to the City of Armadale to advise them of the Shire's intention to lodge a submission in line with the Minister's proposal which would have no impact on the existing boundaries.

LOCALITY PLAN

The following locality Plan shows the new boundaries being proposed by the Shire of Kalamunda submission.

Attachment 2



Attachment 3

Your Ref:
Enquiries: Michael Foley on 9267 9108
E-mail: mike.foley@swan.wa.gov.au
Fax: 9267 9119

10 September 2013

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



Dear Rhonda

BOUNDARY OF PERTH AIRPORT WITH SWAN/MUNDARING

I refer to the meeting held at the Perth Airport Boardroom on 3 September 2013 to discuss the revised boundary of the Perth Airport (proposed new Belmont/ Kalamunda local government) with the new local government comprising Swan and Mundaring.

As indicated at the meeting, the revised boundary proposed by the Minister which basically follows the Great Eastern Highway Bypass does not incorporate all of the land owned by the Commonwealth and under the control of the Perth Airport.

As a result it was agreed that the boundary should be altered to incorporate all of the Perth Airport land as shown on the attached plan.

The City of Swan would prefer to leave the boundary as shown and not extend it to Stirling Crescent. If it was further to the east it would disrupt the plans the City has in preparing to upgrade the roads and drainage systems in the Hazelmere industrial zone.

As indicated at the meeting, with the new local government of Belmont/Kalamunda taking over the area, there are extensive road works and associated drainage planned for the area which will become the responsibility of that new local government in near future.

The proposed road works include the following;

1. Upgrading of Abernethy Road to a dual carriageway
2. Installation of traffic lights at the intersection of Abernethy Road and Adelaide Street
3. The cost of upgrading of Adelaide Street from Abernethy Road through to the proposed new local government boundary
4. Half the cost of upgrading Talbot Road from Abernethy Road to the east where it abuts the new local government boundary.



2 Midland Square, Midland
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enquiries 08 9267 9267
facsimile 08 9267 9444
sms 0428 520 544

As part of the construction of Lloyd Street north of the Great Eastern Highway Bypass, the existing traffic light intersection at Stirling Crescent and Great Eastern Highway Bypass is planned to be closed. The only access in and out of the area will then revert to the planned road works include the following listed above namely;

1. Upgrading of Abernethy Road to a dual carriageway
2. Installation of traffic lights at the intersection of Abernethy Road and Adelaide Street
3. The cost of upgrading of Adelaide Street from Abernethy Road through to the proposed new local government boundary

If these works are not planned and undertaken to tie in with opening of Lloyd Street and the closure of the Stirling Crescent and Great Eastern Highway Bypass, then the only option for traffic out of the Hazelmere industrial area, south of the Bypass is via Stirling Crescent through to Kalamunda Road and this is a residential area.

If your Council is going to submit a plan with your submission to the LGAB, to include the Airport land within the new local government boundary, please be aware of the road upgrading responsibilities that you undertaking.

I am happy to discuss at a mutually convenient time.

Yours faithfully



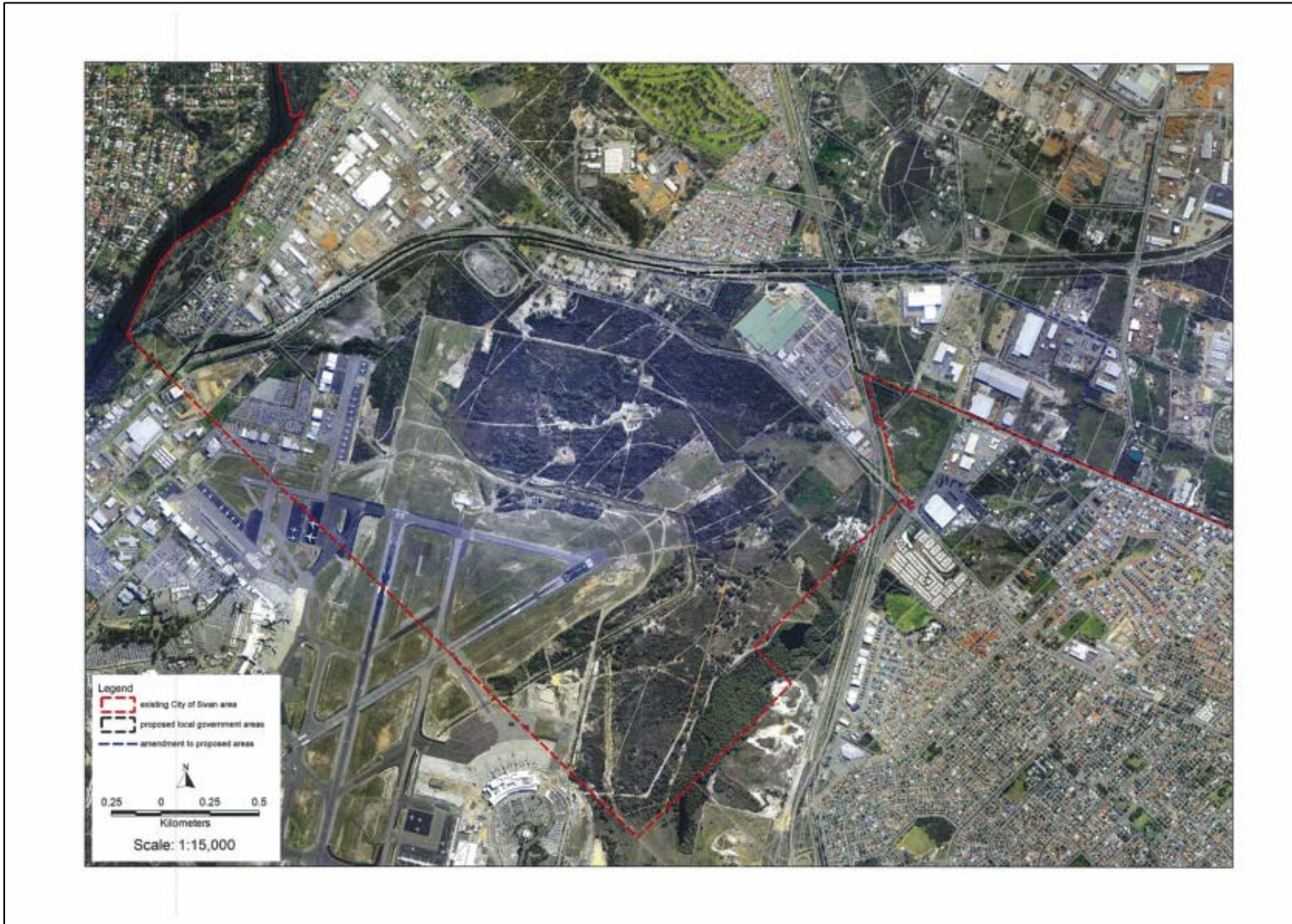
M J Foley
CHIEF EXECUTIVE OFFICER

Copies to;
Tim Fowler
Dept Local Government & Communities

Jonathan Throssell
Shire of Mundaring

Fiona Lander
Perth Airport

Attachment 3



11.0 MOTIONS OF WHICH PREVIOUS NOTICE HAS BEEN GIVEN

12.0 QUESTIONS BY MEMBERS WITHOUT NOTICE

13.0 QUESTIONS BY MEMBERS OF WHICH DUE NOTICE HAS BEEN GIVEN

13.1 Question Taken on Notice from Ordinary Council Meeting 26 August 2013, D&I 46 Application to Keep More Than Two Dogs – Lot 1037 (30), Apricot Street, Forrestfield

Q. A Councillor acknowledged the additional information supplied regarding this item but queried on what authority a decision is made by the inspecting Ranger that the property is appropriately sized, is there a guideline regarding how much space a particular sized dog requires?

A. Officers have not been able to find any policies or guidelines for the size of space required (yard size) related to the size and/or number of dogs. Any policy would be very subjective as a dog in a large yard which is not exercised and socialised would be worse off than a dog in a small yard that is exercised every day.

The RSPCA advise that the size of the yard would be up to the Local Government, under its local laws. However Shire officers are not aware of any other local government local law that addresses the minimum area question. The WALGA model Local Laws for Dogs does not address this issue.

Each multi dog application must be taken on its merits and Council still has the option if there are issues to rescind the approval. Declining a multi dog on the basis that the yard is too small would unlikely stand up to an appeal in the State Administrative Tribunal.

14.0 URGENT BUSINESS APPROVED BY THE PERSON PRESIDING OR BY DECISION

15.0 MEETING CLOSED TO THE PUBLIC

16.0 CLOSURE