
Shire of Kalamunda

Special Council Meeting

Agenda for 25 July 2011



NOTICE OF MEETING SPECIAL COUNCIL MEETING

Councillors,

Notice is hereby given that a Special Meeting of Council will be held in the Council Chambers, Administration Centre, 2 Railway Road, Kalamunda on:

Monday 25 July 2011, commencing at 6.30pm.

For the benefit of members of the public, attention is drawn to the following requirements as adopted by Council.

Open Council Meetings – Procedures

1. All Council Meetings are open to the public.
2. All other arrangements are in accordance with Council's Standing Orders, Policies and decision of the Shire or Council.

Clayton Higham
Acting Chief Executive Officer

21 July 2011

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AGENDA

1.0 OFFICIAL OPENING

2.0 ATTENDANCE, APOLOGIES AND LEAVE OF ABSENCE PREVIOUSLY APPROVED

3.0 PUBLIC QUESTION TIME

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

4.0 DISCLOSURE OF INTERESTS

4.1 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*.)

4.2 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.

5.0 REPORT TO COUNCIL

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

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

5.1 Adoption of the 2011/2012 Budget

Previous Items: N/A
 Responsible Officer: Director Corporate Services
 Service Area: Corporate Services
 File Reference:
 Applicant: N/A
 Owner: N/A

Attachments: Attachment 1 – 2010/2011 Carry Over Schedule (Page 1)
 Attachment 2 – Schedule of Fees and Charges – Community Facilities – 2011/2012 (Page 3)
 Attachment 3 – Schedule of Fees and Charges – Statutory and Regulatory Charges – 2011/2012 (Page 17)
 Attachment 4 – 2011/2012 Statutory Budget (Page 32)

PURPOSE

1. To adopt the Municipal Fund Budget for the year ended 30 June 2012, representing the Financial Year 2011/2012, together with supporting schedules including striking of the Municipal Fund Rates, adoption of fees and charges and other consequential items arising from the budget papers.

BACKGROUND

2. The draft Budget has been compiled based on the principles and assumptions contained in the draft 10 Year Financial Plan 2009/2010 to 2019/2020, which was presented to Councillors in April 2011.

These principles and assumptions included:

- Balanced Operating Budget with Reserves being set aside annually.
- Operating and Capital expenditure funded by rates, grants, reserves and loan borrowings.
- Proceeds from land sales transferred to Reserves.
- Freehold land for future sale and development accounted for and disclosed separately and will include all costs of land development.
- Reserves used primarily to fund future capital expenditure or specifically for the purpose for which it was created.
- Salaries and Wages increases set in accordance with Enterprise Bargaining Agreements.
- Operating costs are set either through zero based budgeting approach or in line with CPI at 2.9%.

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- Domestic Rubbish Charges set at cost recovery.
 - Interest on Investment calculated at 5%.
 - Operating Grants based on prior periods experiences.
 - Fees and Charges based upon statutory requirements or CPI at 2.9%.
 - Insurances calculated at an average of 5%.
 - Workforce planning based on no growth expected with current Full Time Equivalent (FTE) levels to remain at 259.
 - Future growth projections for calculating interim rates and planning approval revenues is based on draft Local Planning Strategy 2010 and the Western Australian Government Strategic Planning document “Directions 2031 and beyond”.
3. Council at its meeting on the 16 May 2011 resolved to advertised proposed differential rates in line with the draft 10 Year Financial Plan 2009/2010 to 2019/2020, the level of Rate increase to be advertised by public notice for the 2011/2012 Budget was 7.0% net yield.
 4. Information recently received from Western Australian Local Government Association (WALGA) indicates that the majority of Metropolitan local governments anticipate residential rates will increase between 5% and 8%.
 5. In accordance with section 6.36 of the *Local Government Act 1995* the Shire advertised its intention to raise differential rates stating the purpose for each rate. This notice was advertised in local newspapers for 21 days from the 2 July 2011. The rate advertised was for a general increase of 7% net yield.
 6. The 2011/2012 draft budget has been prepared in accordance with the presentations made to Councillors at Budget Workshops held on 14 and 27 June 2011.
 7. Councillors have since agreed to set the budget with a 9% rate increase (net yield) which is 2% above the intended 7% increase reported to Council at its meeting on 16 May 2011.
 8. The need to increase the rates from 7% to 9% net yield was taken in light of State Government's decision to increase energy costs by 30% for street lighting to all local governments. For the Shire of Kalamunda this represents an increase cost for street lighting of \$263,200. The impact of this decision on the Shire's overall Utility Budget will be an overall increase of \$286,812 from last year. This increase is the equivalent of a 1.2% increase in rates.
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9. Another impact on the budget has been the drop in Interest Earnings. In previous years the Shire has earned additional interest because of its Reserves. In 2010/2011 the funding required to construct the Operations Centre and the Zig Zag Cultural Centre required approximately 5 million dollars to be transferred from the Reserves. The impact of the drawdown from Reserves upon the Budget for 2011/2012 has been a reduction of \$162,759 on the previous year's budgeted amount. This represents the equivalent of a 0.6% rate increase.
 10. The budgeted rate increase of 9% will offset the impact of both the increase in utility charges and the decrease in interest earnings.
 11. A rate increase of 9% net yield will build resilience into the budget to accommodate unexpected costs outlined above and to hedge against inflation or the cost shifting occurrences that will likely occur as a result of State Government policy.
 12. The 2011/2012 Operating result stands at a surplus of \$3,672,172 compared to the 2010/2011 budget cash shortfall of \$1,602,496. The return to a budget operating surplus will be achieved through the leadership taken by the Council in deciding to develop and sell freehold land and property. Notwithstanding the forecasted proceeds from sales, it is still necessary, in the interim, that operating costs be funded from rate income and hence a 9% rate increase is required. This will provide a financial buffer until proceeds from land and property sales is realised and Reserves are re-established.
 13. It should be noted that the Shire of Kalamunda has a low rate per capita ratio compared to other local governments in the Perth Metropolitan area therefore it is timely and prudent for the Shire of Kalamunda to move towards a higher average rate per capita ratio if it is to meet the service delivery expectations of the community into the future.

Table 1- Comparative Analysis of Rate Per Capita Ratio

	<i>Rates 2010/11</i>	<i>Population</i>	<i>Per Capita Ratio</i>
Belmont	\$31,701,651	33,400	\$949.00
Mundaring	\$18,925,371	33,430	\$566.12
Swan	\$69,281,738	102,000	\$679.23
Bayswater	\$28,617,498	60,100	\$476.16
Armadale	\$35,151,300	55,400	\$634.50
Joondalup	\$69,420,408	156,000	\$445.88
Melville	\$51,375,500	102,434	\$501.55
Gosnells	\$46,172,712	100,000	\$461.73
Wanneroo	\$80,527,010	150,106	\$536.47
Stirling	\$97,887,662	202,000	\$484.59
Canning	\$39,283,189	87,752	\$447.66
<i>Kalamunda</i>	<i>\$21,548,180</i>	<i>54,000</i>	<i>\$399.04</i>

14. The proposed differential rate basis within the budget was presented to Council at its budget workshop held on 14 June 2011.

In accordance with Section 6.36 (3) (B) (ii) of the *Local Government Act 1995*, differential rates were advertised for public comment on 2 July 2011, with submissions due by 23 July 2011. No submissions were received.

DETAILS

15. This budget is the first in a rolling 10 year programme designed to both lift the level of service at the Shire of Kalamunda and to address the maintenance gap that exists for the built infrastructure.
16. During the course of 2011/2012 a review of the draft 10 Year Financial Plan will be undertaken to bring into account some of the strategic plans that are soon to be finalised. These Plans include the Community Facilities Plan, Asset Management Plans by Class and the Local Planning Scheme. Once completed the draft 10 Year Financial Plan will be presented to Council for adoption and will form the basis of financial planning for the next decade in order to comply with the recent changes to the Local Government Act requiring 10 Year Financial Plans to be developed by 2013.
17. Resource decisions taken in 2009/2010 and 2010/2011, such as the delivery of a new Operations Centre and the Zig Zag Cultural Centre, as well as improved staff capacity building, customer servicing and information technology have impacted on the budget together with continuing increases in costs such as electricity and water.

18. The rate increase for 2011/2012 has been set at 9% net yield, however, given this will be a year where new property valuations have been established by the Valuer General some properties will experience a rate increase higher than 9% and other will experience a lower percentage increase.
19. Increases for all rates will generate rate revenue of \$23.8m. This represents the Shire's largest single source of funds and is essential for the Shire to deliver services, undertake capital works and to maintain the current level of maintenance of community facilities and reserves.
20. Differential rating has been applied for 2011/2012 ensuring that the Shire is able to equitably spread rate increases across the community.
21. In 2010/2011, as previously mentioned, the Valuer General set new valuations for all properties within the Shire of Kalamunda with effect from 1 July 2011. The revaluation of properties has seen a significant shift in the values of some suburbs, particularly those in the north west including High Wycombe and Maida Vale. This is likely to be indicating there is a trend for home buyers, particularly fly in fly out workers seeking houses in closer proximity to employment and the airport.
22. The following table indicates the changes to gross rental value across all the suburbs within the Shire. It shows that High Wycombe, Maida Vale and Piesse Brook have had the highest increases in gross rental value.

Table 2 – Revaluations

	<i>OLD GROSS GRV</i>	<i>NEW GROSS GRV</i>	<i>AVG % INC</i>
BICKLEY	\$ 2,298,564	\$ 3,627,532	58%
CANNING MILLS	\$ 9,568	\$ 15,340	60%
CARMEL	\$ 2,161,393	\$ 3,241,387	50%
FORRESTFIELD	\$ 83,932,736	\$ 108,097,827	29%
GOOSEBERRY HILL	\$ 18,727,349	\$ 26,401,399	41%
HACKETTS GULLY	\$ 81,224	\$ 131,872	62%
HIGH WYCOMBE	\$ 52,229,318	\$ 85,514,854	64%
KALAMUNDA	\$ 41,639,267	\$ 57,372,514	38%
KEWDALE	\$ 4,601,748	\$ 5,432,334	18%
LESMURDIE	\$ 34,489,783	\$ 49,817,620	44%
MAIDA VALE	\$ 20,854,813	\$ 33,945,950	63%
PAULLS VALLEY	\$ 359,136	\$ 524,430	46%
PICKERING BROOK	\$ 1,534,742	\$ 2,125,426	38%
PIESSE BROOK	\$ 737,470	\$ 1,200,600	63%
WALLISTON	\$ 5,238,567	\$ 6,291,694	20%
WATTLE GROVE	\$20,814,007	\$ 31,063,238	49%

23. Specific comments on some elements of the Draft 2011/2012 Budget are as follows:

- i. The rate has been increased by 9% net yield.
- ii. Differential rating for Commercial properties being set at 5% higher than the general rate, and that for Industrial properties being set at 12% higher.
- iii. Adoption of Percentage for Reporting Material Variances – each financial year, a local government is to adopt a percentage or value, calculated in accordance with Australian Accounting Standards, to be used in statements of financial activity for reporting material variances. The level proposed for 2011/2012 is 10% or \$10,000 whichever is the greater. This level is in accordance with the LG Act financial regulations and is in line with accounting industry principles, custom and practice.
- iv. The budget makes provision for the use of loan funds to support two major and one minor project:

Kalamunda Aquatic Centre	\$1,850,000
Waste Services – Plant	\$1,150,000
Lesmurdie Tennis Club	\$19,680
- v. The major impact on the high level of work to be carried forward from 2010/2011 is the cost of construction of the Depot project at \$233,418. The Kalamunda Water Park \$249,134, upgrade to Fleming Reserve \$109,488 and the Pickering Brook Sportsman's Club \$295,333. The 2010/2011 Carry Over Schedule is shown as *(Attachment 1)*
- vi. The capital works program will centre of the development of the Kalamunda Water Park and two major road construction projects – Abernethy Road and Kalamunda Road. These three projects will cost in the order of \$5 million.
- vii. Sanitation and Household Refuse - Rubbish Rate. Details of the costs of this service are shown separately in the attached budget. Both the standard and the pensioner charge increases by 9%. As in previous years, the 50% pensioner discount is funded from within the overall waste budget by increasing the standard charge.
 - o It is proposed to continue the Discount Tip Voucher programme whereby residents may pre-purchase tip vouchers from Council Offices / Libraries at a discount. The vouchers allow for waste to be taken to the Walliston Transfer Station or Red Hill Landfill Site in trailers (6x4), utilities or vans.
- viii. Reserve Accounts – one new reserve fund has been added in this budget:
 - o The Environment Reserve has been established to receive a contribution of 2.5% from all property and land sales, and is to be used to fund environmental initiatives and projects.

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- ix. Estimated Year End Position – 30 June 2011
 - o The estimated unaudited year end (2010/2011) position is (\$628,678) cash shortfall after the transfer of \$1,162,609 to the Unexpended Capital Works and Specific Purposes Grants reserve in respect to the net carry forward position.

STATUTORY AND LEGAL IMPLICATIONS

- 24. Section 6.2 of the *Local Government Act 1995* requires a local government to adopt its budget prior to 31 August each year.
- 25. Divisions 5 and 6 of the *Local Government Act 1995* refer to the setting of budgets and the raising of rates and fees and charges. The 2011/2012 Budget as presented is considered to meet these statutory obligations.

POLICY IMPLICATIONS

- 26. The budget has been developed based on the principles contained in the draft 10 Year Financial Plan 2009/2010 to 2019/2020 and also the Shire's Policy FIN6 – Asset Financing and Borrowing Policy.

PUBLIC CONSULTATION/COMMUNICATION

- 27. The Shire has met its statutory obligations with respect to community consultation whereby a notice of intention to levy differential rates was also advertised in The Echo and the Kalamunda Gazette on the 2 July 2011 and the Kalamunda Reporter on the 5 July 2011.

A period of 21 days was provided for public comment concluding on 23 - 25 July 2011. At the date of publishing the agenda for the adoption of the budget no comments were received.

FINANCIAL IMPLICATIONS

- 28. Specific financial implications are as outlined in the Detail section of this report and in the attached 2011/2012 budget document.

STRATEGIC AND SUSTAINABILITY IMPLICATIONS

- 29. **Strategic Planning Implications**
 - The budget has been developed based on the existing strategic planning documents adopted by Council.

30. Sustainability Implications

- The Budget has been developed to align with draft 10 Year Financial Plan 2009/2010 to 2019/2020, which was developed to assist the Shire provide financial sustainability to the Shire. The draft 10 Year Financial Plan 2009/2010 also complies with the soon to be legislated new financial regulations requiring all Local Governments to produce long term strategic financial plans by 2013.

Social Implications

- The Budget has been developed to align with the prioritised needs of the community infrastructure and services. Long term plans such as the Strategic Asset Management Plan and the draft Community Facilities Plan will be the strategic documents that identify and prioritise community infrastructure. Ongoing service reviews will continue to ensure community services are relevant and efficient.

Economic Implications

- The Budget has been developed to align with the economic implications occurring in the Shire. The Budget addresses the development of future industrial land in Forrestfield, as well as land development opportunities throughout the Shire and also provides support to the Kalamunda Business Association and the tourism industry through the opening of the Zig Zag Cultural Centre.
- The draft Local Planning Strategy will guide development within the Shire over the next 20 years. The draft Budget has an allocation to fund a review of the District Planning Scheme in order to bring the Scheme in alignment with the draft Local Planning Strategy. Both of these significant planning documents will provide a catalyst in stimulating development and economic growth for the Shire.

Environmental Implications

- The Budget has been developed to align with the environmental priorities outlined in the Shire's Strategic Plan. Funding has been allocated for a range of environmental initiatives within the operating program. An Environmental Reserve has been established to set aside additional funds from proceeds of land sales to fund a greater level of environmental initiatives.

OFFICER COMMENT

31. The 2011/2012 budget continues to reflect the decision taken by the Council in 2009 to address the issue of the historic under funding of asset maintenance and renewal. It continues the objective of delivering a responsible budget with a view to the long, rather than the short term financial position of the Shire. In the course of formulating the draft budget the Shire has taken into account a broad range of factors with the emphasis being on ensuring that appropriate levels of service are maintained and increased costs of operating are provided for.
32. The Budget 2011/2012 has been guided by the Shire's draft Long Term Financial Plan 2010-2020. The Plan provides a blueprint for effective long term financial planning which is in alignment with the Department of Local Government's Integrated Planning Framework.
33. Coming off the back of three years of significant growth in capital works projects has resulted in a depletion of the Shire's Reserves thus leaving the Shire in a position where new funding sources must be developed to defray the need to increase rates in future years to fund community infrastructure.
34. The Federal Government's Nation Building Program provided an opportunity to invest in community infrastructure in the past few years, however 2011/2012 is the year to bed down service delivery, consolidate resources and place a close emphasis on cost management and control.
35. Effective cash flow management will be crucial until the Shire's Reserves are replenished. The Budget 2011/2012 has been set to commence the Reserves' replenishment program through the sale of surplus land and property. It is expected that within the next two years the Land and Property Reserve will be holding significant reserves which go towards the development of new community facilities.

RECOMMENDATIONS**PART A – 2010/2011 END OF YEAR ACTIONS**

1. **That the 2010/2011 projects not complete as at 30 June 2011 and listed in *Attachment 1* be included in the Budget for 2011/2012 and funded from the Unexpended Capital Works and Specific Purpose Grants Reserve**

Moved:

Seconded:

Vote: **ABSOLUTE MAJORITY REQUIRED**

PART B – RESERVE FUNDS – ESTABLISHMENT

2. That pursuant to Section 6.11 of the *Local Government Act 1995*:

2.1 An Environment Reserve is established.

The purpose of this Reserve is to facilitate the provision of environmental initiatives, services, programs or projects as determined by The Council. That the Environment Reserve receives funds from the sale of all land and property assets and that 2.5 per cent of the net proceeds from sales of all land and property assets is to be transferred to the Environment Reserve annually.

Moved:

Seconded:

Vote: **ABSOLUTE MAJORITY REQUIRED**

PART C – COUNCILLOR FEES AND ALLOWANCES FOR 2010/2011

3. That pursuant to Section 5.99 of the *Local Government Act 1995* and Regulation 34 of the *Local Government [Administration] Regulations 1996*, Council adopts the following annual fees for the payment of Councillors in lieu of individual meeting attendance fees:-

Shire President	\$14,000
Councillors	\$7,000

4. That pursuant to Section 5.99A of the *Local Government Act 1995* and Regulations 34A and 34AA of the *Local Government [Administration] Regulations 1996*, Council adopts the following annual allowances:-

Telecommunications Allowance	\$2,400
Information Technology Allowance	\$1,000

5. That pursuant to Section 5.98 (5) of the *Local Government Act 1995* and Regulation 33 of the *Local Government [Administration] Regulations 1996*, Council adopts the following annual local government allowance to be paid in addition to the annual meeting allowance:-

Shire President	\$14,000
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6. That pursuant to Section 5.98 (A) of the *Local Government Act 1995* and Regulation 33A of the *Local Government [Administration] Regulations 1996*, Council adopts the following annual local government allowance to be paid in addition to the annual meeting allowance:-

Deputy Shire President	\$2,900
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Moved:

Seconded:

Vote: **ABSOLUTE MAJORITY REQUIRED**

PART D – GENERAL FEES AND CHARGES FOR 2010/2011

7. That pursuant to Section 6.16 of the *Local Government Act 1995*, Council adopts the Hall Hire, Community Recreation Facilities Charges and Reserve Hire – Outdoor Activities Charges as per (*Attachment 2*)
8. That the fees and charges for Regulatory and Other Services as per the attached (*Attachment 3*) be adopted
9. That pursuant to Section 245A (8) of the *Local Government (Miscellaneous Provisions) Act 1960*, Council adopts a swimming pool inspection fee of \$18.30 including GST.
10. That pursuant to Section 6.51 of the *Local Government Act 1995* and Regulation 70 of the *Local Government [Financial Management] Regulations 1996*, Council impose an interest charge of 6.0% on all rates and service charges including the refuse charge and swimming pool inspection fee that are not paid by the due date.
11. That pursuant to Section 6.45 of the *Local Government Act 1995* and Regulation 67 of the *Local Government [Financial Management] Regulations 1996*, Council adopt an instalment administration charge where the owner has elected to the payment of rates and service charges through an instalment option by charging:
- (a) a \$5 administration charge where a property owner elects to payment of rates and service charges on a two instalment option:
or

- (b) a \$13 administration charge where a property owner elects to payment of rates and service charges on a four quarterly instalment option.

Moved:

Seconded:

Vote: **ABSOLUTE MAJORITY REQUIRED**

PART E – WASTE AND RUBBISH CHARGES FOR 2010/2011

12. That pursuant to Section 67 of the *Waste Avoidance and Resources Recovery Act 2007*, Council adopt the following charges for the removal and deposit of domestic and commercial waste:-

i. **Domestic / Commercial Service**

- a. Ordinary domestic collection/disposal service including kerbside recycling service to be set at \$340.00.
- b. Eligible pensioners – a concession rate for the domestic collection/disposal service including kerbside recycling service of \$170.00.

ii. **Walliston Transfer Station**

The deposit of rubbish at Walliston Transfer Station reflect the schedule of fees and charges adopted by the Eastern Metropolitan Regional Council, and will be charged as follows:

- Car or station wagon \$21.50 (incl GST)
- Van or utility \$34.50 (incl GST)
- Trailer (6x4) \$43.00 (incl GST)
- Trailer (6x4) high sided \$54.00 (incl GST)
- Tandem / horse float \$80.00 (incl GST)
- Utilities/Trailers > 1 tonne \$106.00 per tonne

iii. **Discount Tip Vouchers**

That pursuant to Section 6.12 of the *Local Government Act 1995*, a discount of \$5.00 per entry be provided, by way of pre-purchased vouchers, for entry into the Walliston Transfer Station or Red Hill Landfill Site for residents with rubbish in trailers (not exceeding 6 x 4), utilities or vans

Moved:

Seconded:

Vote: **ABSOLUTE MAJORITY REQUIRED**

PART F – MUNICIPAL FUND BUDGET FOR 2010/2011

13. That pursuant to the provisions of Section 6.2 of the *Local Government Act 1995* and the Part 3 *Local Government [Financial Management] Regulations 1996*, Council adopt the Municipal Fund Budget as contained in (*Attachment 4*), Statutory Statements and Notes (including supplementary information) for the year ending 30 June 2012.

Moved:

Seconded:

Vote: **ABSOLUTE MAJORITY REQUIRED**

PART G – GENERAL AND MINIMUM RATES , INSTALMENT PAYMENT ARRANGEMENTS AND INCENTIVES FOR EARLY PAYMENTS FOR 2010/2011

14. That for the purpose of yielding the deficiency disclosed by the Municipal Fund Budget adopted at Item 14, Council pursuant to Sections 6.32, 6.33 6.34 and 6.35 impose the following differential general and minimum rates on Gross Rental and Unimproved Values

14.1 General Rates

- General - Gross Rental Values(GRV) 5.0665 cents in the dollar
- Commercial – GRV 5.3198 cents in the dollar
- Industrial – GRV 5.6744 cents in the dollar
- General - Unimproved Values (UV) 0.2411 cents in the dollar
- Commercial – UV 0.2532 cents in the dollar
- Industrial – UV 0.2701 cents in the dollar

14.2 Minimum Rates

- General - Gross Rental Values(GRV) \$648
- Commercial – GRV \$680
- Industrial – GRV \$727
- General - Unimproved Values (UV) \$648
- Commercial – UV \$680
- Industrial – UV \$727

14.3 Instalment Arrangements

That pursuant to Section 6.45 of the *Local Government Act 1995* and Regulation 64(2) of the *Local Government (Financial Management) Regulations 1996*, Council nominate the following due dates for the payment of rates in full and by instalments:-

Full payment and 1st instalment due date	12 September 2011
2nd Half instalment due date	12 January 2012
2nd Quarterly instalment due date	7 November 2011
3rd Quarterly instalment due date	12 January 2012
4th and final quarterly instalment due date	8 March 2012

14.4 Incentives for Early Payment of Rates

That pursuant to Section 6.46 of the *Local Government Act 1995*, Council offers the following incentive prizes to ratepayers who have paid their rates in full within 35 days of the rate assessment being served:-

- 6 cash prizes of \$1,000 donated by the Shire of Kalamunda.
- 28 cash prizes of \$500 donated by the Shire of Kalamunda.
- 1 cash prize of \$1,000 donated by the Commonwealth Bank of Australia.
- 1 \$500 passbook account donated by the Bendigo Bank - Forrestfield & High Wycombe Community Bank.
- 2 double passes to the Masters Series Concerts performed and donated by the Western Australian Symphony Orchestra.

14.5 Eligibility for inclusion in the rates incentive prize draw.

That ratepayers who make rates payment in full or ratepayers who have made the entire first instalment payment by the due date (12 September 2011) will be eligible for inclusion in the rates incentive prize draw.

14.6 Eligibility of Elected Members and Staff to participate in rates incentive prize

That all Elected Members, staff of the Shire of Kalamunda and government bodies and their agencies be ineligible to be chosen as a winner of the early rate payment incentive prizes either as a sole or part owner of any property.

Moved:

Seconded:

Vote: **ABSOLUTE MAJORITY REQUIRED**

PART H – MATERIAL VARIANCE REPORTING FOR 2010/2011

15. That in accordance with Regulation 34 of the *Local Government (Financial Management) Regulations 1996*, and AAS 5 the level to be used in statements of financial activity in the year 2011/2012 for reporting material variances shall be 5% or \$5,000, whichever is the greater.

Moved:

Seconded:

Vote: **ABSOLUTE MAJORITY REQUIRED**

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

5.2 Tender for Kalamunda Water Park – Filtration and Water Treatment (T1117)

Previous Items	OCM 60/2010 and OCM 13/2011
Responsible Officer	Director Engineering Services
Service Area	Engineering Services
File Reference	AD-TEN-004
Applicant	N/A
Owner	N/A

Confidential Attachment 1 Summary of Tender Prices for the Supply, Installation and Commissioning for Filtration and Water Treatment
 – Under Separate Cover
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 which relates to a matter to be discussed at the meeting.”

Confidential Attachment 2 Evaluation of Tender Submissions for Compliance Criteria and Qualitative Criteria
 – Under Separate Cover
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 which relates to a matter to be discussed at the meeting.”

PURPOSE

1. To consider awarding the Tender, Kalamunda Water Park – Filtration and Water Treatment (T1117) for the Supply, Installation and Commissioning of Filtration and Water Treatment Plant, at the Kalamunda Water Park.

BACKGROUND

2. The Tender, Kalamunda Water Park – Filtration and Water Treatment (T1117) was advertised in the West Australian on Saturday 25 June 2011, and closed at 2.00pm on 15 July 2011.

DETAILS

3. Two tender submissions were received from:
 - AVP Commercial Pools
 - Trisley's Hydraulic Services Pty Ltd, trading as THS Commercial Pool Specialist.

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4. A Summary of Tender Prices for the Supply, Installation and Commissioning of Filtration and Water Treatment Plant is shown in (Confidential Attachment 1).
 5. An Evaluation of Tender Submissions for Compliance Criteria and Qualitative Criteria is shown in (Confidential Attachment 2).

STATUARY AND LEGAL IMPLIMENTIONS

6. The Tender is undertaken in accordance with the statutory requirements of Section 5.3.5 of the *Local Government Act 1995* and Part 4 of the *Local Government (Functions and General) Regulations 1996*.
7. The filtration system and water quality are required to comply with the *Health Act* and associated regulations.
8. The facility also needs to comply with building and disability regulations.

POLICY IMPLICATIONS

9. Nil.

PUBLIC CONSULTATION/COMMUNICATION

10. Nil.

FINANCIAL IMPLICATIONS

11. At the Ordinary Council Meeting on 16 May 2011, Council was provided with a report indicating the total estimated cost of \$2.943M for the Stage 2 and 3 works, which included approximately \$900,000 for the tendered component of the project.
12. Part of the Stage 2 and 3 works were carried out in the 2010/11 financial year and an allocation of \$2.1M has been included in the 2011/12 Budget for the remaining works. This includes the installation of the Filtration and Water Treatment Plant.
13. Construction of the quad slide, which was also part of the Stage 3 work, is on hold following Council's decision not to award the tender. The tenders for the quad slides will be recalled at a later date with a view to complete the work prior to the 2012 season. All other work including demolition of the quad and speed slides, will be completed prior to opening for the 2011 season.

STRATEGIC AND SUSTAINABILITY IMPLICATIONS

Strategic Planning Implications

Building Maintenance

14. To maintain current building infrastructure to meet the needs of the Shire and the Community.

Building Renewal and Development

15. Development of new buildings and facilities. Provide supervision of building construction to ensure compliance with specifications and budget control. Major refurbishments and extensions to existing buildings and facilities in line with Council's asset management policy.

- Outcome:
- 2.1 Meeting community needs today and into the future.
 - 2.2 Development of Urban design to meet community aspiration of history, heritage and lifestyle values.
 - 2.3 Long term viability of infrastructure and facilities.

Sustainability Implications

Social implications

16. The facility is very popular amongst the local community and used by many public schools for swimming carnivals. Council has recognised this by endorsing the refurbishment plan at several Council meetings.

Economic Implications

17. This facility is one of the attractions which promote tourism in the area.

Environmental Implications

18. Being an existing facility, there is no impact on the environment.

OFFICER COMMENT

19. The Tender submitted by THS Commercial Pool Specialist provided for the supply, installation and commissioning of filtration and water treatment for the existing tube slides. Provisions and space have been allocated to accommodate facilities for a future quad slide and speed slide.
20. THS Commercial Pool Specialist has an ISO Quality Assurance accreditation.

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21. THS Commercial Pool Specialist and AVP Commercial Pools have a wide range of experience with similar projects which demonstrates their ability to carry out this tender. Both have offices in Perth and other States of Australia.
 22. THS Commercial Pool Specialist has met all Compliance Criteria. AVP Commercial Pools has met all the Compliance Criteria, except for providing a quality assurance procedure, however this is not a mandatory requirement.
 23. THS Commercial Pool Specialist Ltd have advised that if a 10% deposit on the budget items 1.3 and 1.5 is received they can obtain better pricing from their suppliers. They are willing to pass these savings onto the Shire with a 2.5% discount. This also includes the need for payments to be made within 14 days. AVP Commercial Pools offered no discount.
 24. THS Commercial Pool Specialist's tender is the cheapest in price and scores higher based on the qualitative criteria and accordingly is the most advantageous tender.
 25. THS Commercial Pool Specialist has provided a 16 week flow chart and a methodology for the implementation of the tender which would enable the Kalamunda Water Park to be operational in December 2011 subject to tenders being awarded.
 26. THS Commercial Pool Specialist have offered a post contract service support if required.

RECOMMENDATION

That Council:

1. Awards the Tender, Kalamunda Water Park – Filtration and Water Treatment (T1117) for the Supply, Installation and Commissioning of the Filtration and Water Treatment Plant to THS Commercial Pool Specialist at the lump sum price of \$1,066,790 (ex GST) less a discount of \$26,740.

Moved:

Seconded:

Vote:

6.0 CLOSURE