

Ordinary Council Meeting

Agenda for Tuesday 29 March 2016



**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 **Tuesday 29 March at 6.30pm**.

Dinner will be served prior to the meeting at 5.30pm.

Rhonda Hardy
Chief Executive Officer
24 March 2016

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.

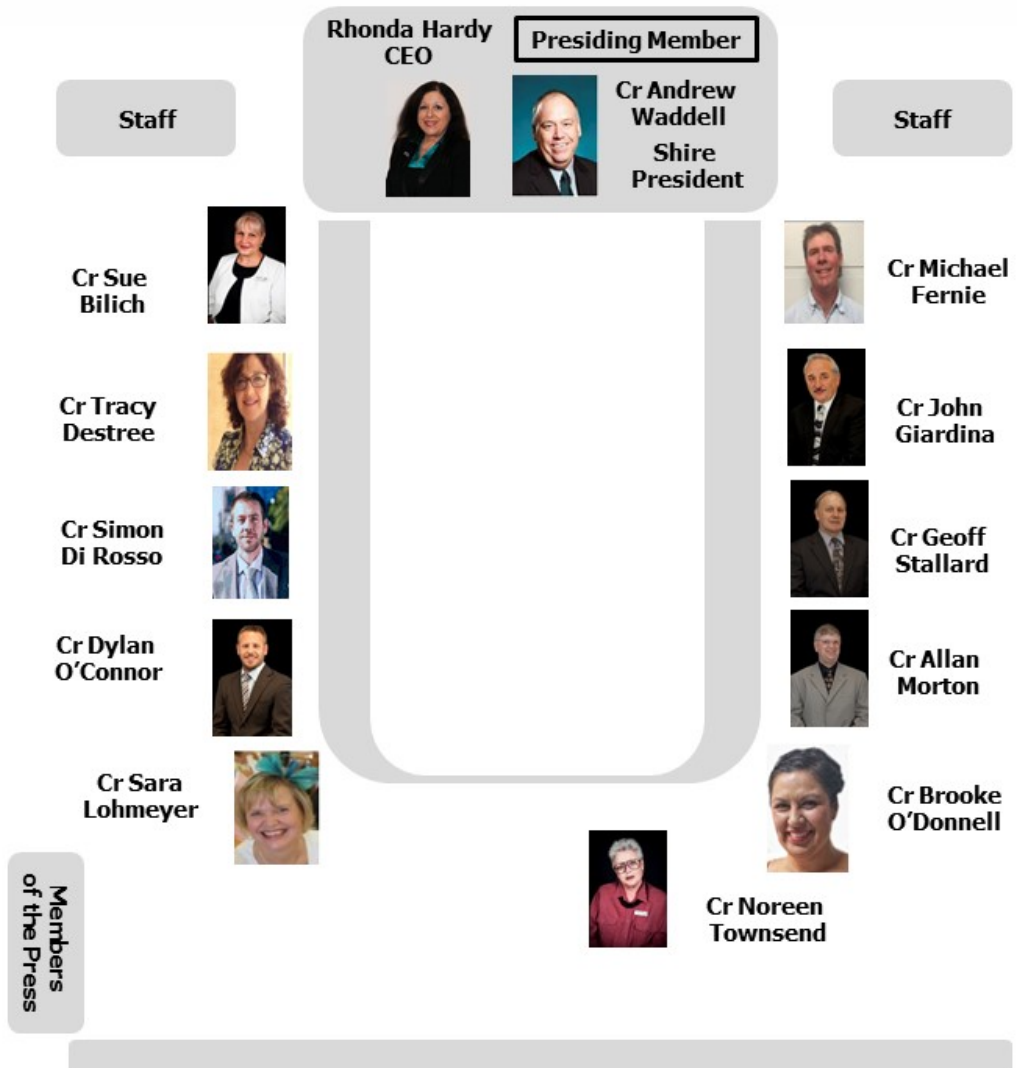


INFORMATION FOR THE PUBLIC ATTENDING COUNCIL MEETINGS

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



Public Gallery



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.

INDEX

1.0	OFFICIAL OPENING.....	6
2.0	ATTENDANCE, APOLOGIES AND LEAVE OF ABSENCE PREVIOUSLY APPROVED	6
3.0	PUBLIC QUESTION TIME	6
4.0	PETITIONS/DEPUTATIONS.....	6
5.0	APPLICATIONS FOR LEAVE OF ABSENCE.....	7
6.0	CONFIRMATION OF MINUTES OF PREVIOUS MEETING.....	7
7.0	ANNOUNCEMENTS BY THE MEMBER PRESIDING WITHOUT DISCUSSION.....	7
8.0	MATTERS FOR WHICH MEETING MAY BE CLOSED	8
9.0	DISCLOSURE OF INTERESTS.....	8
10.0	REPORTS TO COUNCIL	8
10.1	AUDIT & RISK COMMITTEE REPORT	9
10.1.1	ADOPTION OF AUDIT & RISK SERVICES COMMITTEE REPORT	9
10.1.2	A&R 01 COMPLIANCE AUDIT RETURN	9
10.1.3	A&R INTERNAL AUDIT REPORT FEBRUARY 2016	9
10.2	CORPORATE & COMMUNITY SERVICES COMMITTEE REPORT.....	11
10.2.1	ADOPTION OF CORPORATE & COMMUNITY SERVICES COMMITTEE REPORT.....	11
10.2.2	C&C 09 DEBTORS AND CREDITORS REPORT FOR THE PERIOD ENDED 29 FEBRUARY 2016.....	11
10.2.3	C&C 10 RATES DEBTORS REPORT FOR THE PERIOD ENDED 29 FEBRUARY 2016.....	11
10.2.4	C&C 11 PICKERING BROOK HERITAGE GROUP (INC) – SEEKING APPROVAL OF SUBSIDY OF OCCUPANCY COSTS	12
10.2.5	C&C 12 COMMUNITY SPORT AND RECREATION FACILITIES FUND SMALL GRANTS.....	12
10.2.6	C&C 13 PROPOSED TRANSFER OF PART OF WATTLE GROVE TO THE CITY OF GOSNELLS – SUBMISSION TO LOCAL GOVERNMENT ADVISORY BOARD	13
10.2.7	C&C 14 CONFIDENTIAL ITEM ENTERPRISE BARGAINING AGREEMENT (OPERATIONS EMPLOYEES) AUGUST 2015 – 30 JUNE 2018.....	13
10.3	DEVELOPMENT & INFRASTRUCTURE SERVICES COMMITTEE REPORT.....	14
10.3.1	ADOPTION OF DEVELOPMENT & INFRASTRUCTURE SERVICES COMMITTEE REPORT	14
10.3.2	D&I 16 EASTERN SUBGROUP OF METROPOLITAN REGIONAL ROAD GROUP - COUNCILLOR NOMINATIONS	14
10.3.3	D&I 18 DEDICATION OF TONKIN HIGHWAY IN THE SHIRE OF KALAMUNDA.....	14
10.3.4	D&I 20 DRAFT PLANNING POLICY P-DEV52: TELECOMMUNICATIONS INFRASTRUCTURE	15
10.3.5	D&I 21 DRAFT PLANNING POLICIES P-DEV 47 AND P-DEV 46– EFFLUENT DISPOSAL FOR ANCILLARY ACCOMMODATION AND CARETAKERS DWELLINGS AND EFFLUENT DISPOSAL FROM AGRI-TOURISM IN THE MIDDLE HELENA CATCHMENT AREAS.....	15
10.3.6	D&I 22 REQUEST TO INITIATE AN AMENDMENT TO THE METROPOLITAN REGION SCHEME – PICKERING BROOK TOWNSITE EXPANSION.....	15
10.3.7	D&I 23 HOARDING AND SQUALOR POLICY AND MANAGEMENT PROCEDURE	16
10.3.8	D&I 17 NOMINATIONS AND TERMS OF REFERENCE FOR THE KALAMUNDA ENVIRONMENTAL ADVISORY COMMITTEE.....	16
10.3.9	D&I 19 HARTFIELD PARK RECREATION CENTRE – BUDGET VARIATION TOWARDS THE FLOOR REPLACEMENT PROGRAM	17

10.4	CHIEF EXECUTIVE OFFICER REPORTS	19
10.4.1	DRAFT MONTHLY FINANCIAL STATEMENTS TO 29 FEBRUARY 2016	19
10.4.2	BUDGET REVIEW FOR SEVEN MONTHS TO JANUARY 2016	30
10.4.3	FORRESTFIELD NORTH PARKING STUDY	38
10.4.4	CONFIDENTIAL ITEM - REQUEST FOR AN EXTENSION OF STAGED DEVELOPER CONTRIBUTION PAYMENTS FOR AN APPROVED LIGHT INDUSTRY DEVELOPMENT– LOT 219 (122) SULTANA ROAD WEST, FORRESTFIELD.....	43
11.0	MOTIONS OF WHICH PREVIOUS NOTICE HAS BEEN GIVEN	44
11.1	CR SIMON DI ROSSO – PROPOSED UPGRADE TO THE KALAMUNDA LEARNING CENTRE (KLC), CRESCENT ROAD, KALAMUNDA (KLC BUILDING)	44
11.2	CR JOHN GIARDINA – KALAMUNDA AGED CARE ADVISORY COMMITTEE	46
11.3	CR NOREEN TOWNSEND – YORK STREET RESERVE AS LOW CARE AGED PERSONS FACILITY	47
11.4	CR JOHN GIARDINA – ALLAN FERNIE PAVILION	49
12.0	QUESTIONS BY MEMBERS WITHOUT NOTICE	50
13.0	QUESTIONS BY MEMBERS OF WHICH DUE NOTICE HAS BEEN GIVEN	50
14.0	URGENT BUSINESS APPROVED BY THE PRESIDING MEMBER OR BY DECISION.....	52
15.0	MEETING CLOSED TO THE PUBLIC	52
16.0	CLOSURE	52

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 Council. For the purposes of Minuting, these questions and answers will be summarised.

3.1 Questions from Ordinary Council Meeting 22 February 2016

Location of Optus Mobile Phone Tower - Sonia Bell, Kalamunda

- Q. Because mobile phone towers are a known lightning draw and fire risk in themselves, and the Gooseberry Hill Primary School is situated on two no through roads in a bushfire prone area, will Council be inviting the relevant Optus representatives to provide information on lightning protection and fire risk mitigation to the consultation meeting? I am advised that in previous meetings with Optus they have not answered any technical questions because no engineer has been present. Also will Council conduct an independent fire assessment as part of considerations?
- A. The Director Development Services has responded: - There would not be a requirement for a fire assessment under the current planning legislation. The approving authority could impose a condition requiring a fire management plan, if required.

Location of Optus Mobile Phone Tower - Emma Kallarn, Gooseberry Hill

- Q. Are you aware you have ten days in which to amend Optus' consultation plans where they intend to meet the community and do you intend to do that? The Director Development Services indicated he was not aware of the specifics regarding this but he will investigate.
- A. The Director Development Services has responded: - The Shire is unable to comment on the adequacies of an application that is yet to be lodged. The Shire will consider the application and community consultation outlined, when Optus presents the plan as part of their application

4.0 PETITIONS/DEPUTATIONS

5.0 APPLICATIONS FOR LEAVE OF ABSENCE

- 5.1 Cr Michael Fernie requests leave of absence from 16 April 2016 to 25 April 2016 inclusive. This period does not cover any scheduled Committee Meetings.

Moved:

Seconded:

Vote:

6.0 CONFIRMATION OF MINUTES OF PREVIOUS MEETING

- 6.1 That the Minutes of the Ordinary Council Meeting held on 22 February 2016, as published and circulated, are confirmed as a true and accurate record of the proceedings.

Moved:

Seconded:

Vote:

Statement by Presiding Member

"On the basis of the above Motion, I now sign the Minutes as a true and accurate record of the meeting of 22 February 2016".

- 6.2 That the Minutes of the Special Council Meeting held on 8 March 2016, as published and circulated, are confirmed as a true and accurate record of the proceedings.

Moved:

Seconded:

Vote:

Statement by Presiding Member

"On the basis of the above Motion, I now sign the Minutes as a true and accurate record of the meeting of 8 March 2016".

7.0 ANNOUNCEMENTS BY THE MEMBER PRESIDING WITHOUT DISCUSSION

8.0 MATTERS FOR WHICH MEETING MAY BE CLOSED

- 8.1 **C&C 14. CONFIDENTIAL ITEM Enterprise Bargaining Agreement (Operations Employees) August 2015 – 30 June 2018** - Provided under separate cover.

Reason for confidentiality. *Local Government Act 1995* s 5.23(2) (a). A matter affecting an employee or employees.

- 8.2 **D&I 23. Hoarding and Squalor Policy and Management Procedure (CONFIDENTIAL Attachment 4)** Provided under separate cover.

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

- 8.2 **10.4.4 CONFIDENTIAL ITEM – Request for an Extension of Staged Developer Contribution Payments for an Approved Light Industry Development – Lot 219 (122) Sultana Road West, Forrestfield.**

Reason for Confidentiality – *Local Government Act 1995* S5.23 (f) (i) – “a matter that if disclosed, could be reasonably expected to impair the effectiveness of any lawful method or procedure for preventing, detecting, investigating or dealing with any contravention or possible contravention of the law.”

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. (Section 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 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 Audit & Risk Committee Report

10.1.1 Adoption of Audit & Risk Services Committee Report

Voting Requirements: Simple Majority

That recommendations A&R 01 and A&R 02, contained in the Audit & Risk Committee Report of 8 March 2016 be adopted by Council en bloc.

Moved:

Seconded:

Vote:

10.1.2 A&R 01 Compliance Audit Return

COMMITTEE RECOMMENDATION TO COUNCIL (A&R 01/2016)

That Council:

1. Adopts the Compliance Audit return for the year ending 31 December 2015.

10.1.3 A&R Internal Audit Report February 2016

COMMITTEE RECOMMENDATION TO COUNCIL (A&R 02/2016)

That Council:

1. Notes the following recommendations included in the Internal Audit Report for February 2016 (Attachment 2).

Corporate Credit Cards

There continues to be regular monitoring of corporate credit card transactions by the Manager Financial Services.

Changes in Accounting Standards

The effects of the changes to Australian Accounting Standard – Related Party transactions (AASB 124) is discussed with the external auditors to ensure there is proper compliance with this standard.

Confirmation of Permitted Use of a Shire Vehicle

The personnel files for all employees allocated a Shire vehicle are reviewed to confirm whether there is a letter on file

approving the allocation of a Shire vehicle, and where there is no letter, an assessment is made to continue granting a Shire vehicle to the person in accordance with policy.

All employees with a Shire vehicle are made to complete a Condition of Use Form.

The Condition of Use form is reviewed and amended to include a clause requiring all employees to comply with the Provision of Light Vehicle Policy and Procedures.

Compliance Audit Return for 2015

The Compliance Audit Return for 2015 is adopted by Council and submitted to the Department of Local Government and Communities by 31 March 2016.

Review of Motor Vehicle Log Books for Fringe Benefits Tax Compliance

All employees with a Shire vehicle are made aware of their obligations to complete log books correctly.

That instructions on how to complete log books are provided to all employees with a Shire vehicle.

The matter regarding the proper completion of log books is referred to the Fleet Steering Committee for their consideration.

Capital Improvements to Shire Facilities by Clubs and Sporting Groups

A review of major assets leased to clubs and sporting institutions is carried out on a cyclic basis by comparing the information captured in the asset register with the physical assets to ensure all assets are accounted for and recognised in the asset register and for insurance purposes.

Insurances

The Corporate Services team researches the subject of insurances of the Shire with the view to testing the market and reducing insurance premiums while improving the level of cover and identifying any missing gaps.

Audit & Risk Register

There continues to be close monitoring of the Audit & Risk Register to ensure matters identified are being addressed.

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 09 to C&C 14 inclusive, contained in the Corporate & Community Services Committee Report of 14 March 2016, be adopted by Council en bloc.

Moved:

Seconded:

Vote:

10.2.2 C&C 09 Debtors and Creditors Report for the Period Ended 29 February 2016

COMMITTEE RECOMMENDATION TO COUNCIL (C&C 09/2016)

That Council:

1. Receives the list of payments made from the Municipal Accounts in February 2016 (Attachment 1) in accordance with the requirements of the *Local Government (Financial Management) Regulations 1996 (Regulation 12)*.
2. Receives the list of payments made from the Trust Accounts in February 2016 as noted in point 12 above in accordance with the requirements of the *Local Government (Financial Management) Regulations 1996 (Regulation 12)*.
3. Receives the outstanding debtors (Attachment 2) and creditors (Attachment 3) reports for the month of February 2016.

10.2.3 C&C 10 Rates Debtors Report for the Period Ended 29 February 2016

COMMITTEE RECOMMENDATION TO COUNCIL (C&C 10/2016)

That Council:

1. Receives the rates debtors report for the period ended 29 February 2016 (Attachment 1).

10.2.4 C&C 11 Pickering Brook Heritage Group (Inc) – Seeking Approval of Subsidy of Occupancy Costs

COMMITTEE RECOMMENDATION TO COUNCIL (C&C 11/2016)

That Council:

1. Approves the request for a subsidy of \$355.86 (excluding GST) to reimburse the Pickering Brook Heritage Group for the cost \$1,423.45 (excluding GST) of Volunteer and Public Liability Insurance.

10.2.5 C&C 12 Community Sport and Recreation Facilities Fund Small Grants

COMMITTEE RECOMMENDATION TO COUNCIL (C&C 12/2016)

That Council:

1. Endorses a Community Sport and Recreation Facilities Fund Small Grant application from the Kalamunda Club Inc towards a proposed replacement synthetic surface for Green A at the Kalamunda Club.

Following the success of the Community Sport and Recreation Facilities Funding the cost contribution will be:

Organisation	Contributions ex GST
CSRFF	\$66,531
Shire of Kalamunda	\$66,531
Kalamunda Club (Inc)	\$66,533
Total Project	\$199,595

2. Notes in the event of a successful Community Sport and Recreation Facilities Fund application, an amount of \$66,531 will be considered as part of the 2016/17 annual budget deliberation process.
3. Notes that the project will not proceed until the Clubs funds have been received and a financial agreement has been entered into stipulating responsibilities of both parties; and
4. That any variations to the final contract sum shall be the responsibility of the Kalamunda Club Inc.

10.2.6 C&C 13 Proposed Transfer of Part of Wattle Grove to the City of Gosnells – Submission to Local Government Advisory Board

COMMITTEE RECOMMENDATION TO COUNCIL (C&C 13/2016)

That Council:

1. Notes the Shire of Kalamunda submission to the Local Government Advisory Board with respect to its Inquiry into the proposal for the transfer of part of Wattle Grove to the City of Gosnells.

10.2.7 C&C 14 CONFIDENTIAL ITEM Enterprise Bargaining Agreement (Operations Employees) August 2015 – 30 June 2018

COMMITTEE RECOMMENDATION TO COUNCIL (C&C 14/2016)

That Council:

1. Notes and endorses the proposed Enterprise Bargaining Agreement (Municipal employees) 7 August 2015 to 30 June 2018 as shown in (Attachment 1).

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

10.3 Development & Infrastructure Services Committee Report

10.3.1 Adoption of Development & Infrastructure Services Committee Report

Voting Requirements: Simple Majority

That recommendations D&I 16 to D&I 23 inclusive, contained in the Development & Infrastructure Services Committee Report of 14 March 2016, except withdrawn items D&I 17 and D&I 19 be adopted by Council en bloc.

Moved:

Seconded:

Vote:

10.3.2 D&I 16 Eastern Subgroup of Metropolitan Regional Road Group - Councillor Nominations

COMMITTEE RECOMMENDATION TO COUNCIL (D&I 16/2016)

That Council:

1. Nominates Cr Andrew Waddell to the Eastern Subgroup of the Metropolitan Regional Road Group to represent the Shire of Kalamunda.

10.3.3 D&I 18 Dedication of Tonkin Highway in the Shire of Kalamunda

COMMITTEE RECOMMENDATION TO COUNCIL (D&I 18/2016)

That Council:

1. Concurs to the request from Main Roads Western Australia for the dedication of the land pursuant to Section 56 of the *Land Administration Act 1997*, reserved as Primary Regional Road, Tonkin Highway, as shown in the attached Plans Sheets 5 to 8 (City of Belmont boundary to City of Gosnells boundary) contained within the Shire of Kalamunda, to satisfy the legislative requirements of the Department of Lands.
2. Notes that Main Roads Western Australia has indemnified the Shire of Kalamunda from all costs and charges relating to this dedication action.
3. Authorises the Chief Executive Officer to write to Main Roads Western Australia detailing the recommendation of this report.

10.3.4 D&I 20 Draft Planning Policy P-DEV52: Telecommunications Infrastructure

COMMITTEE RECOMMENDATION TO COUNCIL (D&I 20/2016)

That Council:

1. Pursuant to Clause 3(1) of Schedule 2 of the *Planning and Development (Local Planning Schemes) Regulations 2015*, adopts the draft Planning Policy P-DEV52:

Telecommunications Infrastructure (Attachment 1) for the purpose of advertising for a period of 21 days.

10.3.5 D&I 21 Draft Planning Policies P-DEV 47 and P-DEV 46– Effluent Disposal for Ancillary Accommodation and Caretakers Dwellings and Effluent Disposal from Agri-Tourism in the Middle Helena Catchment Areas

COMMITTEE RECOMMENDATION TO COUNCIL (D&I 21/2016)

That Council:

1. Pursuant to clause 2.2 and 2.4.1 of Local Planning Scheme No. 3, adopt the following policies:

Planning Policy – P-DEV 46 – Effluent Disposal from Ancillary Accommodation and Caretakers Dwellings in the Middle Helena Catchment (Attachment 1).

Planning Policy - P-DEV 47- Effluent Disposal from Agri-Tourism in the Middle Helena Drinking_Water Catchment (Attachment 2).

10.3.6 D&I 22 Request to Initiate an Amendment to the Metropolitan Region Scheme – Pickering Brook Townsite Expansion

COMMITTEE RECOMMENDATION TO COUNCIL (D&I 22/2016)

That Council:

1. Requests the Western Australian Planning Commission initiate an amendment to the Metropolitan Region Scheme, rezoning the Pickering Brook Townsite Expansion Area from Rural to Urban as per Attachment 1;

2. Pursuant to Section 126(3) of the *Planning and Development Act 2005*, requests the Western Australian Planning Commission concurrently rezone the Pickering Brook Townsite Expansion Area from Rural Agriculture to Urban Development under Local Planning Scheme No. 3 as per Attachment 2; and
3. Forwards the additional documents, included at Attachments 3-8, to the Western Australian Planning Commission for their information.

10.3.7 D&I 23 Hoarding and Squalor Policy and Management Procedure

COMMITTEE RECOMMENDATION TO COUNCIL (D&I 23/2016)

That Council:

1. Notes the Shire Hoarding and Squalor Shire Policy and the accompanying Management Procedures and Guideline (Attachments 1, 2 and 3).

Withdrawn for separate consideration

D&I 17 and D&I 19 have been withdrawn for separate consideration as they require an Absolute Majority.

10.3.8 D&I 17 Nominations and Terms of Reference for the Kalamunda Environmental Advisory Committee

COMMITTEE RECOMMENDATION TO COUNCIL (D&I 17/2016)

That Council:

1. Endorses the revised Terms of Reference for the Kalamunda Environmental Advisory Committee as shown in Attachment 1.
2. Appoints the following nominees as Community Representatives on the Kalamunda Environmental Advisory Committee:
 - Joy McGilvray
 - Mark Schilling
 - Kevin Goss
 - Mike Burbridge

3. Appoints the following nominees as Deputy Community Representatives on the Kalamunda Environmental Advisory Committee:
 - Cameron Blackburn
 - Rupert Duckworth
 - Mark Simpson
 - Peter Forrest
4. Authorises the Chief Executive Officer to write to the Community and Deputy Community Representatives advising them that their nominations for the Kalamunda Environmental Advisory Committee has been accepted.
5. Authorises the Chief Executive Officer to write to the unsuccessful nominees advising them that they were unsuccessful and thanking them for their interest.
6. Set the first meeting date for this Committee as Wednesday 30 March 2016 at 6.00pm.

Moved:

Seconded:

Vote:

10.3.9 D&I 19 Hartfield Park Recreation Centre – Budget Variation towards the Floor Replacement Program

COMMITTEE RECOMMENDATION TO COUNCIL (D&I 19/2016)

That Council:

1. Endorses the proposal to bring forward the replacement of the main sports hall floor at the Hartfield Park Recreation Centre to enable the works to commence in the 2015/2016 financial year.
2. Endorses the use of sprung timber parquetry floor in replacement of the main sports hall rubberised floor at the Hartfield Park Recreation Centre at an estimated cost of \$340,000.
3. Pursuant to Section 6.8(1) (b) of the *Local Government Act 1995*, approves the unbudgeted expenditure of \$150,000 in 2015/2016 to enable tenders to be awarded and works commenced on the replacement of the existing rubberised floor with a sprung timber parquetry floor noting that additional funds will be required in 2016/2017 to complete the

project, the amount to be determined as part of the tender award consideration by Council.

4. Notes the following budget amendment to transfer unexpended funds from Job No. 4795 Hartfield Park Recreation Centre - Roof and Gutter Renewal to Job No. 4776 Hartfield Park Recreation Centre - Floor Replacement Program, noting that these figures exclude administrative overheads:

Project Description	Job No.	Current Budget	Adjusted Budget
Hartfield Park Recreation Centre Roof and Gutter Renewal	4795	\$250,000	\$100,000
Hartfield Park Recreation Centre Floor Replacement Program	4776	\$0	\$150,000

5. Notes that further funds will be required in the 2016/2017 Capital Works Budget to complete the construction of a new sprung timber parquetry floor, with the amount to be determined as part of the tender award process.

Moved:

Seconded:

Vote:

10.4 CHIEF EXECUTIVE OFFICER REPORTS

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

10.4.1 Draft Monthly Financial Statements to 29 February 2016

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 Statement of Financial Activity for the period ended 29 February 2016 incorporating the following:

- Statement of Financial Activity (Nature or Type)
- Statement of Financial Activity (Statutory Reporting Program)
- Net Current Funding Position, note to financial statement

PURPOSE

1. To provide Council with statutory financial reports on the activity of the Shire of Kalamunda with comparison of the year's performance against the revised budget adopted on 23 November 2015. This Statement compares the actual results for the period with the revised 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*, Regulation 34 of the *Local Government (Financial Management) Regulations 1996*.
3. The opening funds in the Statement of Financial Activity reflects the audited surplus brought forward from 2014/2015.
4. The budget column reflects the budget adopted subsequent to the mid-year budget review approved by Council at its meeting on 23 November 2015.

DETAILS

5. 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 Financial Activity by Nature and Type for the eight months ended 29 February 2016

6. This Statement reveals a net result surplus of \$25,580,643 compared to budget for the same period of \$22,616,161. The variance of \$2,964,482

represents 11.6% of the current surplus for the year to date. The majority of the variance is in the areas of operating expenditure, developer contributions related to Forrestfield Industrial Area Stage 1 and infrastructure projects.

Revenue

7. Total Revenue excluding rates is over budget by \$223,251. This is made up as follows:

- Operating Grants, Subsidies and Contributions are under budget by \$65,725. The variances are primarily due to timing matters, and made up of the following:
 - Home and community care grant is under budget by \$125,500 due to a timing issue.
- Profit on Asset disposal is over budget by \$3,194. The variance is within the reporting threshold.
- Fees and Charges variance is over budget by \$192,432. This is mainly attributable to:
 - Legal charges amounting to \$152,058 from general procedure claims for rates debtors recovered through cyclical debt recovery process. Debt recovery for the 2015/2016 rates commenced on 11 September 2015. The variance is due to a phasing issue.
 - Refuse collection being over budget by \$74,636 as a consequence of the retention of secondary waste bins by some ratepayers.
 - Development fees being under budget by \$39,166 as less planning applications were received.
- Interest Income is over budget by \$83,537. This is mainly due to:
 - Term deposits maturing early during the year, and the interest payments then paid to the Shire being over budget by \$43,189. This variance is due to a phasing issue.
 - Interest on rates and ESL. A higher number of ratepayers opting to pay rates by instalments where interest is charged on the outstanding amounts to date, being over budget by \$42,918.
- Other Revenue is slightly over budget by \$2,069 and within the reporting threshold.

Expenditure

8. Total expenses is under budget with a variance of \$1,332,271. The significant variances within the individual categories are as follows:

- Employment Costs are under budget by \$598,905 arising from a number of vacant positions not being filled.
- Materials and Contracts is under budget by \$316,855 which is mainly comprised of expenditure on consultancy costs of \$286,770. This relates to various non-recurrent projects, such as the Forrestfield North project, which will be reviewed as part of the statutory budget review.
- Utilities are over budget by \$9,537 which is within the reporting threshold.
- Depreciation, although a non-cash cost, is tracking under budget, reporting a variance of \$358,014. The infrastructure revaluation has now been completed and the audited assets position as of 30 June 2015 is finalised. Following the midyear budget review in February 2016 depreciation amounts will be modified to reflect the outcome of the new infrastructure revaluation.
- The interest expense is under budget by \$12,426. This is the result of a timing difference between amounts accrued and the budget which is based on the debenture repayment schedule.
- Insurance expense is under budget by \$48,569 which is principally due to building insurance costs being lower than the amount budgeted. This is attributed change in the contribution rate calculated by LGIS.
- Other expenditure is under budget by \$34,731. These are mainly related to various non-recurrent projects caused by a timing variance.
- Loss on Sale of Asset is over budget by \$27,692. This is due to lower proceeds from the sale at auction of various shire plant compared to the net book value.

Capital Revenues

Non-operating Grants and Contributions

9. The non-operating grant income is higher than the budget by \$268,960. The variance was mainly due to the approved claim from the Roads to Recovery grant and invoicing for the Kostera Oval project.
10. The capital contributions variance of \$1,158,794 relates to Forrestfield Industrial Area Stage 1 which has been transferred into a cash backed reserve account. The variance reported reflects monies received post first term budget review in September 2015.

Capital Expenditures

11. Infrastructure projects, comprising roads, drainage, footpaths, car parks and parks and ovals, are under budget by \$1,343,442. Various projects that are due in 2015/2016 have started with ground works commenced in January 2016.

Rates revenues

12. Rates generation is under budget with a variance of \$173,828, mainly due to a backlog in processing interim rates schedules. These are now being processed as a priority.

Draft Statement of Financial Activity by Program for the eight months to 29 February 2016

13. The overall result comments are as above and generally each Program is within the accepted budget except for Community Amenities, Recreation and Culture and Transport. Major variances have been reported by Nature and Type under points 7 to 12 above.

Draft Statement of Net Current Funding Position as at 29 February 2016

14. The commentary on the net current funding position is based on comparison of the draft February 2016 year to date actuals with February 2015 year to date actuals.
15. Net Current Assets (Current Assets less Current Liabilities) show a positive result of \$32.6 million. The un-restricted cash position has a positive balance of \$28.5 million which is higher than the previous year's balance of \$27.4 million. This can mainly be attributed to the rates collection and transfers from reserves in anticipation of infrastructure works projects.
16. Trade and other receivables comprise rates and sundry debtors totalling \$2.4 million outstanding.
- The rates balance fell by \$2.7 million to \$1.6 million, representing a collection rate of 95.47% for the year to date. The improved debt recovery partially reflects the successful launch of "A Smarter Way to Pay" and BPoint Enterprise which allows charging of direct debits via credit cards.
17. Sundry debtors have decreased by \$186,768 to \$859,337, of which \$230,457 is made up of current debt due within 30 days. A total of \$587,306 remains outstanding over 90 days. Amounts of \$258,930 and \$312,273 are invoices which are overdue from the developers within the Forrestfield Industrial Area.
18. Receivables Other represents \$600,009 with the bulk made up of:
- Emergency Services Levy (ESL) - \$251,771; and
 - Waste services due - \$277,184.
19. Provisions for annual and long service leave are generally stable having increased by \$357,840 to \$2.6 million when compared to the previous year. The main reason for the increase is due to more officers being above the seven year threshold at which point long service leave entitlements begin to fully accrue. The Shire aggressively pursues a leave management plan that will not adversely affect service delivery. The Shire will be conducting a detailed review of its leave liability in April 2016 during the preparation for the interim audit. The long term goal is to bring this liability down to a more manageable level and also ensure there are adequate reserves in place to support it.

20. Restricted Reserves have increased significantly from \$2.6 million to \$9.6 million when compared to February 2015. The increase is due to the following:

- Transfer of Forrestfield Industrial Area Scheme Stage 1 from Trust accounts to reserves, amounting to \$3.6 million.
- Land and Property Enhancement and Maintenance Reserve has increased by \$0.5 million.
- Long Service Leave reserve has increased by \$0.8 million.
- HACC reserve has increased by \$0.6 million.
- Nominated employee leave reserve has increased by \$0.5 million.

STATUTORY AND LEGAL CONSIDERATIONS

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

POLICY CONSIDERATIONS

22. Nil.

COMMUNITY ENGAGEMENT REQUIREMENTS

23. Nil.

FINANCIAL CONSIDERATIONS

24. Nil.

STRATEGIC COMMUNITY PLAN

Strategic Planning Alignment

25. *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

26. Nil.

Economic Implications

27. Nil.

Environmental Implications

28. Nil.

RISK MANAGEMENT CONSIDERATIONS

29.

Risk	Likelihood	Consequence	Rating	Action / Strategy
Over-spending the budget	Possible	Major	High	<ul style="list-style-type: none">• Monthly management reports are reviewed by the Shire.• Weekly engineering reports on major projects and maintenance.
Non-compliance with Financial Regulations	Unlikely	Major	Medium	The financial report is scrutinised by the Shire to ensure that all statutory requirements are met.

OFFICER COMMENT

30. The Shire's Draft Financial Statements as at 29 February 2016 demonstrate the Shire has managed its budget and financial resources effectively.

Voting Requirements: Simple Majority

RECOMMENDATION

That Council:

1. Receives the draft Monthly Statutory Financial Statements for the month to 29 February 2016, which comprises:
 - Statement of Financial Activity (Nature or Type).
 - Statement of Financial Activity (Statutory Reporting Program).
 - Net Current Funding Position, note to financial statement.

Moved:

Seconded:

Vote:

Attachment 1

**STATEMENT OF FINANCIAL ACTIVITY BY NATURE OR TYPE
FOR THE 8 MONTHS TO 29 FEBRUARY 2016**

	29/02/2016	29/02/2016	Annual	Var. \$	Var. %
	YTD	YTD	Budget	(b)-(a)	(b)-(a)/(b)
	Actual	Budget			
	(b)	(a)			
	\$	\$	\$	\$	%
Operating Revenues					
Operating Grants and Subsidies	3,691,767	3,775,935	5,728,243	(84,168)	(2.3%)
Contributions, Reimbursements and Donations	598,523	580,080	4,398,075	18,443	3.1%
Profit on Asset Disposal	188,194	185,000	471,640	3,194	1.7%
Fees and Charges	13,029,842	12,837,410	14,027,334	192,432	1.5%
Interest Earnings	784,839	701,302	896,545	83,537	10.6%
Other Revenue	45,141	43,072	64,641	2,069	4.6%
Ex Gratia Rates Revenue	137,424	129,680	129,680	7,744	5.6%
Total (Excluding Rates)	18,475,730	18,252,479	25,716,158	223,251	
Operating Expense					
Employee Costs	(15,206,345)	(15,805,250)	(24,014,369)	598,905	3.9%
Materials and Contracts	(12,164,697)	(12,481,552)	(19,877,350)	316,855	2.6%
Utilities Charges	(1,581,442)	(1,571,905)	(2,358,938)	(9,537)	(0.6%)
Depreciation (Non-Current Assets)	(5,084,290)	(5,442,304)	(8,163,761)	358,014	7.0%
Interest Expenses	(266,686)	(279,112)	(418,674)	12,426	4.7%
Insurance Expenses	(568,196)	(616,765)	(617,249)	48,569	8.5%
Loss on Asset Disposal	(41,020)	(13,328)	(20,000)	(27,692)	(67.5%)
Other Expenditure	(272,847)	(307,578)	(491,703)	34,731	12.7%
Total	(35,185,523)	(36,517,794)	(55,962,044)	1,332,271	
Funding Balance Adjustment					
Add Back Depreciation	5,084,290	5,442,304	8,163,761	(358,014)	(7.0%)
Adjust (Profit)/Loss on Asset Disposal	(147,174)	(171,672)	(451,640)	24,498	(16.6%)
EMRC Contribution (Non-cash)	0	0	(3,600,407)	0	
Deferred Loan (non-current) FUSC	(158)	0	0	(158)	100.0%
Movement in Provisions	(38,347)	0	749,271	(38,347)	100.0%
Pensioners Deferred Rates Movement	0	0	(30,000)	0	
Total	4,898,611	5,270,632	4,830,985	(372,021)	
Net Operating (Ex. Rates)	(11,811,182)	(12,994,683)	(25,414,901)	1,183,501	
Capital Revenues					
Proceeds from Disposal of Assets	557,992	602,000	1,032,000	(44,008)	(7.9%)
Grants, Subsidies and Contributions	2,296,784	2,027,824	3,855,218	268,960	11.7%
Self-Supporting Loan Principal	46,788	48,890	67,870	(2,102)	(4.5%)
Debenture Funding	0	0	500,000	0	
Capital (Developer) - Contributions	2,230,381	1,071,587	1,071,587	1,158,794	52.0%
Transfer from Reserves	3,729,981	3,734,246	5,203,728	(4,265)	(0.1%)
Total	8,861,926	7,484,547	11,730,403	1,377,379	
Capital Expenses					
Land Development Costs	(2,000)	(22,774)	(28,782)	20,774	1038.7%
Land and Buildings New	(100,333)	(223,883)	(336,513)	123,550	123.1%
Land and Buildings Replacement	(737,298)	(742,488)	(1,391,617)	5,190	0.7%
Plant and Equipment New	(46,634)	(50,448)	(54,520)	3,814	8.2%
Plant and Equipment Replacement	(25,347)	(25,347)	(25,347)	0	0.0%
Furniture and Equipment	(5,765)	(59,865)	(98,700)	54,100	938.4%
Infrastructure Assets - Roads New	(131,644)	(168,302)	(661,644)	36,658	27.8%
Infrastructure Assets - Roads Renewal	(728,985)	(914,766)	(3,626,729)	185,781	25.5%

**STATEMENT OF FINANCIAL ACTIVITY BY NATURE OR TYPE
FOR THE 8 MONTHS TO 29 FEBRUARY 2016**

	29/02/2016	29/02/2016			
	YTD Actual (b) \$	YTD Budget (a) \$	Annual Budget \$	Var. \$ (b)-(a) \$	Var. % (b)-(a)/(b) %
Infrastructure Assets - Drainage New	(134,058)	(168,839)	(222,390)	34,781	25.9%
Infrastructure Assets - Drainage Renewal	(22,524)	(119,115)	(174,291)	96,591	428.8%
Infrastructure Assets - Footpaths New	(7,801)	(54,861)	(71,339)	47,060	603.3%
Infrastructure Assets - Footpaths Renewal	(56,084)	(125,247)	(125,248)	69,163	123.3%
Infrastructure Assets - Car Parks New	(92,405)	(264,512)	(396,040)	172,107	186.3%
Infrastructure Assets - Car Parks Renewal	0	(75,162)	(75,162)	75,162	100.0%
Infrastructure Assets - Parks and Ovals New	(275,980)	(525,493)	(1,675,529)	249,513	90.4%
Infrastructure Assets - Parks and Ovals Renewal	(3,116,761)	(3,493,387)	(4,647,147)	376,626	12.1%
Repayment of Debentures	(369,397)	(395,896)	(593,851)	26,499	7.2%
Transfer to Reserves	(2,135,482)	(1,135,543)	(5,931,679)	(999,939)	(46.8%)
Total	<u>(7,988,498)</u>	<u>(8,565,928)</u>	<u>(20,136,528)</u>	<u>577,430</u>	
Net Capital	<u>873,428</u>	<u>(1,081,381)</u>	<u>(8,406,125)</u>	<u>1,954,809</u>	
Total Net Operating + Capital	<u>(10,937,754)</u>	<u>(14,076,064)</u>	<u>(33,821,026)</u>	<u>3,138,310</u>	
Rate Revenue	31,550,282	31,724,110	31,884,831	(173,828)	(0.6%)
Opening Funding Surplus(Deficit)	<u>4,968,115</u>	4,968,115	4,968,115	0	0.0%
Closing Funding Surplus(Deficit)	<u>25,580,643</u>	<u>22,616,161</u>	<u>3,031,920</u>	<u>2,964,482</u>	11.6%

**STATEMENT OF FINANCIAL ACTIVITY (STATUTORY REPORTING PROGRAM)
FOR THE 8 MONTHS TO 29 FEBRUARY 2016**

	29/02/2016	29/02/2016			
	YTD Actual (b)	YTD Budget (a)	Annual Budget	Var. \$ (b)-(a)	Var. % (b)-(a)/(b)
	\$	\$	\$	\$	%
Operating Revenues					
Governance	89,654	105,832	112,755	(16,178)	(18.0%)
General Purpose Funding	2,256,480	1,932,102	7,085,777	324,378	14.4%
Law, Order and Public Safety	387,067	278,512	367,836	108,555	28.0%
Health	217,592	204,257	221,066	13,335	6.1%
Education and Welfare	2,934,456	3,019,319	3,759,595	(84,863)	(2.9%)
Community Amenities	10,871,074	10,969,137	11,613,174	(98,063)	(0.9%)
Recreation and Culture	1,076,163	1,119,843	1,657,534	(43,680)	(4.1%)
Transport	37,015	0	0	37,015	100.0%
Economic Services	331,610	358,968	538,527	(27,358)	(8.3%)
Other Property and Services	274,619	264,509	359,894	10,110	3.7%
Total (Excluding Rates)	18,475,730	18,252,479	25,716,158	223,251	
Operating Expense					
Governance	(2,301,074)	(2,284,421)	(3,250,382)	(16,653)	(0.7%)
General Purpose Funding	(665,238)	(610,410)	(773,316)	(54,828)	(8.2%)
Law, Order and Public Safety	(1,193,840)	(1,254,704)	(1,871,914)	60,864	5.1%
Health	(736,957)	(792,350)	(1,189,841)	55,393	7.5%
Education and Welfare	(2,687,892)	(2,833,257)	(4,282,665)	145,365	5.4%
Community Amenities	(8,382,359)	(8,712,992)	(13,793,759)	330,633	3.9%
Recreation and Culture	(11,627,592)	(12,904,712)	(19,184,053)	1,277,120	11.0%
Transport	(6,284,950)	(5,870,018)	(9,230,029)	(414,932)	(6.6%)
Economic Services	(708,062)	(746,273)	(1,096,746)	38,211	5.4%
Other Property and Services	(597,559)	(508,657)	(1,289,339)	(88,902)	(14.9%)
Total	(35,185,523)	(36,517,794)	(55,962,044)	1,332,271	
Funding Balance Adjustment					
Add back Depreciation	5,084,290	5,442,304	8,163,761	(358,014)	(7.0%)
Adjust (Profit)/Loss on Asset Disposal	(147,174)	(171,672)	(451,640)	24,498	(16.6%)
EMRC Contribution (Non-cash)	0	0	(3,600,407)	0	
Deferred Loan (non-current) FUSC	(158)	0	0	(158)	100.0%
Movement in Provisions	(38,347)	0	749,271	(38,347)	100.0%
Pensioners Deferred Rates Movement	0	0	(30,000)	0	
Total	4,898,611	5,270,632	4,830,985	(372,021)	
Net Operating (Ex. Rates)	(11,811,182)	(12,994,683)	(25,414,901)	1,183,501	
Capital Revenues					
Proceeds from Disposal of Assets	557,992	602,000	1,032,000	(44,008)	(7.9%)
Capital Contributions and Grants	2,296,784	2,027,824	3,855,218	268,960	11.7%
Self-Supporting Loan Principal Income	46,788	48,890	67,870	(2,102)	(4.5%)
Capital (Developer) - Contributions	2,230,381	1,071,587	1,071,587	1,158,794	52.0%
Transfer from Reserves	3,729,981	3,734,246	5,203,728	(4,265)	(0.1%)
Total	8,861,926	7,484,547	11,730,403	1,377,379	
Capital Expenses					
Land Development Costs	(2,000)	(22,774)	(28,782)	20,774	1038.7%
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Land and Buildings Replacement	(737,298)	(742,488)	(1,391,617)	5,190	0.7%
Plant and Equipment New	(46,634)	(50,448)	(54,520)	3,814	8.2%

**STATEMENT OF FINANCIAL ACTIVITY (STATUTORY REPORTING PROGRAM)
FOR THE 8 MONTHS TO 29 FEBRUARY 2016**

	29/02/2016	29/02/2016			
	YTD Actual (b) \$	YTD Budget (a) \$	Annual Budget \$	Var. \$ (b)-(a) \$	Var. % (b)- (a)/(b) %
Plant and Equipment Replacement	(25,347)	(25,347)	(25,347)	0	0.0%
Furniture and Equipment	(5,765)	(59,865)	(98,700)	54,100	938.4%
Infrastructure Assets - Roads New	(131,644)	(168,302)	(661,644)	36,658	27.8%
Infrastructure Assets - Roads Renewal	(728,985)	(914,766)	(3,626,729)	185,781	25.5%
Infrastructure Assets - Drainage New	(134,058)	(168,839)	(222,390)	34,781	25.9%
Infrastructure Assets - Drainage Renewal	(22,524)	(119,115)	(174,291)	96,591	428.8%
Infrastructure Assets - Footpaths New	(7,801)	(54,861)	(71,339)	47,060	603.3%
Infrastructure Assets - Footpaths Renewal	(56,084)	(125,247)	(125,248)	69,163	123.3%
Infrastructure Assets - Car Parks New	(92,405)	(264,512)	(396,040)	172,107	186.3%
Infrastructure Assets - Car Parks Renewal	0	(75,162)	(75,162)	75,162	100.0%
Infrastructure Assets - Parks and Ovals New	(275,980)	(525,493)	(1,675,529)	249,513	90.4%
Infrastructure Assets - Parks and Ovals Renewal	(3,116,761)	(3,493,387)	(4,647,147)	376,626	12.1%
Repayment of Debentures	(369,397)	(395,896)	(593,851)	26,499	7.2%
Transfer to Reserves	(2,135,482)	(1,135,543)	(5,931,679)	(999,939)	(46.8%)
Total	<u>(7,988,498)</u>	<u>(8,565,928)</u>	<u>(20,136,528)</u>	<u>577,430</u>	
Net Capital	<u>873,428</u>	<u>(1,081,381)</u>	<u>(8,406,125)</u>	<u>1,954,809</u>	
Total Net Operating + Capital	<u>(10,937,754)</u>	<u>(14,076,064)</u>	<u>(33,821,026)</u>	<u>3,138,310</u>	
Rate Revenue	31,550,282	31,724,110	31,884,831	(173,828)	(0.6%)
Opening Funding Surplus(Deficit)	<u>4,968,115</u>	<u>4,968,115</u>	<u>4,968,115</u>	<u>0</u>	0.0%
Closing Funding Surplus(Deficit)	<u>25,580,643</u>	<u>22,616,161</u>	<u>3,031,920</u>	<u>2,964,482</u>	11.6%

**NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE 8 MONTHS TO 29 FEBRUARY 2016**

NET CURRENT FUNDING POSITION

Positive=Surplus (Negative=Deficit)

	29/02/2016	28/02/2015
	\$	\$
Current Assets		
Cash and Cash Equivalents Unrestricted	28,472,517	27,390,153
Cash and Cash Equivalents - Reserves (Restricted)	9,613,597	2,650,833
Receivables - Rates	1,592,507	1,509,837
Receivables - Sundry	859,337	141,061
Receivables -Other	600,009	1,635,308
Inventories	91,037	120,894
(*exclude loan receivable)	41,229,004	33,448,086
 Less: Current Liabilities		
Payables	(6,034,765)	(5,848,617)
Provisions	(2,581,344)	(2,223,504)
(*exclude loan payable)	(8,616,109)	(8,072,121)
 Net Current Asset Position	32,612,895	25,375,965
 Add:		
Provision for Long Service Leave	1,208,588	793,491
Provision for Annual Leave	1,372,756	1,430,013
 Less:		
Cash and Cash Equivalents - Reserves (Restricted)	(9,613,597)	(2,650,833)
Cash Restricted		
Net Current Funding Position	25,580,643	24,948,636

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

10.4.2 Budget Review for Seven Months to January 2016

Previous Items	N/A
Responsible Officer	Director Corporate Services
Service Area	Finance
File Reference	
Applicant	N/A
Owner	N/A
Attachment 1	Amended Financial Activity Statement by Nature and Type
Attachment 2	Amended Financial Activity Statement by Program
Attachment 3	Net Current Asset Position
Attachment 4	Summarised Report of Amendments
Attachment 5	Statement of Amended Reserve Account Movement and Balances

PURPOSE

1. To consider amendments to the 2015/2016 Adopted Budget as identified in the seven months to 31 January 2016 budget review.

BACKGROUND

2. Regulation 33a (1) of the *Local Government (Financial Management) Regulations 1996* requires that a local government is to conduct a formal review of its adopted budget between 1 September and 31 March in the financial year.
3. In pursuit of improved fiscal management and accountability, the Shire of Kalamunda has undertaken its second budget review for the seven months to January 2016 in addition to the first budget review conducted in September 2015. The latest review compares the January year to date results against the First Term Budget Review for the September 2015 quarter. The variance is between the two reviews undertaken.
4. The primary objective of regular budget reviews is to ensure that the Shire is closely monitoring its revenue and expenditure to mitigate the risk of the Shire posting a deficit at the end of this financial year.
5. It also provides the Shire with the opportunity to monitor and implement strategies to ensure that the Shire's Current Ratio and Untied Cash to Unpaid Trade Creditors Ratio will be further improved for the year ending 30 June 2016.

DETAILS

Closing Surplus position (Attachment 1)

6.

Summary of Movements from the Rate Setting Statement			
Description	September Budget Review \$	Proposed Revised Budget \$	Variance \$
Operating Revenue Excluding Rates	25,716,158	26,116,153	399,995
Operating Expenditure	(55,962,044)	(55,723,595)	238,449
Non Cash Movements	4,830,985	4,672,814	(158,171)
Capital Revenues	11,730,403	15,274,767	3,544,364
Capital Expenditure, Debentures and Reserve movements	(20,136,528)	(24,012,587)	(3,876,059)
Rates Revenue	31,884,831	31,893,225	8,394
Closing Surplus Position	3,031,920	3,188,892	156,972

7.

A brief synopsis of the budget variances above are as follows:

- Operating Revenue excluding rates is above budget impacted by -
 - Operating grants, subsidies and contributions is projected to increase by \$96,371. The increase is primarily related to reimbursements from Cell 9 for project management and LGIS for:
 - o reimbursement for workers compensation claims;
 - o partial reimbursement for IT security upgrades.
 - Fees are greater than budget by \$290,520 mainly due to an increase in enforcement income derived from prosecutions in the planning, health and compliance areas, as well as higher than expected income from dog registrations and rates debt collection.
 - Interest earnings are projected to increase by \$289,946 which has arisen mainly due to better forecasting and cashflow management in spite of lower interest rates on offer.
- Operating Expenditures is below budget -
 - Savings of \$88,618 on staff costs due to various vacancies unfilled. These savings are now regarded as realised and are included as part of the overall increase in the surplus position.

- Materials and contracts increased by \$322,242 impacted by:
 - o Increased infrastructure maintenance by \$261,000, mainly due to a shift from capital works to maintenance for drainage and the need to meet minimum road maintenance expenditure requirements of the Roads to Recovery guidelines;
 - o Higher legal fees by \$100,000 which is offset by increased enforcement income as noted above;
 - o Higher rates debt collection costs of \$59,000 offset by income noted above;
 - o Higher volumes of green waste leading to increased costs \$85,000;
 - o Reallocation of employment expenses to materials and contracts in building maintenance \$150,000;
 - o Creation of parks maintenance motor vehicle cost budget \$105,000;
 - o Lower fuel and oil prices \$45,000;
 - o Completion of Flood Study with significant savings of \$70,000; and
 - o Forrestfield North project partial deferral to next financial year \$360,000.
- Non-Cash Movements – reduction by \$158,171
 - The sale of property at 2 Cabarita Road, Kalamunda is unlikely to sell as a result of the high fire zone rating on the property, resulting in a decrease of \$284,496 in operating revenue.
 - Depreciation is lower by \$425,510 resulting from the infrastructure revaluation exercise of 2014-15 year end.

The above non-cash movements are required to be added back to derive the final closing surplus position.

- Capital Revenues are above budget forecast impacted by -
 - \$2,755,000 is expected from Department of Sports and Recreation for stage 3 of the Hartfield Park Redevelopment Project.
 - \$497,147 additional allocation from the Federal Government for the Roads to Recovery programme.
 - Deferral of loan funding of \$500,000 for the Forrestfield North project into next financial year.
 - Recognition of Developer Contributions of \$1,158,794 received relating to Forrestfield Industrial Area Stage 1. The Shire has reflected a similar amount as a transfer to Reserves to acknowledge the money received and ensure it is fully cash backed.
 - Reduction in land sale proceeds of \$380,000 relating to 2 Cabarita Road, Kalamunda.

- Capital Expenditure – Assets is below budget forecast by \$3.876m impacted by
 - Net movement is a decrease in expenditure by \$334,134.
 - Expediting Roads to Recovery Projects to meet Grant Funding Projects.
 - Buildings expenditure addition of \$387,510 mainly attributable to the Alternative Water Supply project of the Hartfield Park Redevelopment.
 - The deferral of \$1.4 million into next financial year for the Hartfield Park Hockey Fields project.

- Capital Expenditure - Reserve Account Adjustments

The Statement of Amended Reserve Account Movement and Balances (Attachment 5) incorporates all the above mentioned proposed adjustments and reveals a balanced budget with a revised closing balance of \$16,126,828 reflecting a significant increase from \$11,936,046 estimated at the budget review of September 2015. The increases are made up as follows:

- \$4.5 million transferred into the Unexpended Capital Works and Specific Purpose Grants Reserve, comprising of;
 - o \$2.8 million grant funding expected for stage 3 of the Hartfield Park Redevelopment Project for work to be carried out in 2016-17;
 - o A further \$1.7 million worth of capital projects identified as deferrals to future years
 - The Forrestfield Industrial Area Stage 1 scheme which is managed by the Shire on behalf of the developers has increased by a further \$1.1 million, mainly through the receipt of additional contributions between October 2015 and January 2016. The transfer into the Forrestfield Industrial Area Stage 1 scheme Reserve has been increased by \$639,294 to reflect the above mentioned increase in developer contribution income.
8. The projected year end revised closing surplus position as at 31 January 2016 is \$3,188,892. The new position will ensure that the Shire maintains a strong year end cash position and the modified current ratio within target range of >1.
9. The Shire will still need to keep tight control over income and expenditure to ensure a surplus is in place at 30 June 2016 to strengthen the Shire's financial capacity and Reserves.
10. The opening balances have been revised to reflect the balances as per Audited Financial Statements as at 30 June 2015.

-
11. In light of this Budget Review all future Financial Reports presented to Council for adoption will include adjustments to the current Budget and amendments based on operations and new information.

STATUTORY AND LEGAL CONSIDERATIONS

12. Section 6.8 (1)(b) of the *Local Government Act 1995* requires an absolute majority decision by Council for any budget amendments.

POLICY CONSIDERATIONS

13. Nil.

COMMUNITY ENGAGEMENT REQUIREMENTS

14. Nil.

FINANCIAL CONSIDERATION

15. The Rate Setting Statement shows the Shire is projected to be in a surplus position at the end of the financial year.

STRATEGIC COMMUNITY PLAN

Strategic Planning Alignment

16. *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

17. Nil.

Economic Implications

18. Nil.

Environmental Implications

19. Nil.

RISK MANAGEMENT CONSIDERATIONS

20.

Risk	Likelihood	Consequence	Risk	Action/Strategy
Expenditure exceeds budgeted allocation resulting in negative impact on closing funds position.	Possible	Major	High	Monthly management reports are tracked by business unit managers to ensure that they are operating within budget parameters. Budget reviews and forecasting of expenditures against potential revenues are monitored closely.
Funds spent without a budget allocation.	Unlikely	Critical	High	Electronic purchasing system in place which tracks and allows authorisation of purchase orders only if a budget is available.

OFFICER COMMENT

- 21. The amended Rate Setting Statement following the January budget review in Column 4 (2015/16 Proposed Budget Review) reveals a balanced budget estimate for 30 June 2016 with a surplus of \$3,188,892.
- 22. Reserves overall are still maintained at a high level with a significant increase from \$11,936,046 to \$16,126,828 as shown in (Attachment 5).
- 23. The key to addressing the Shire's ongoing liquidity will be to diversify its revenue streams and continue to monitor closely revenues and expenditure against allocated budgets. The Shire will also continue to monitor service delivery to align resources with strategic priorities.
- 24. It is critical that Council is committed to this strategy; in order to meet service level and management requirements in a financially sustainable manner.
- 25. The Shire is focussed on ensuring that it returns a positive surplus and is constantly looking at improving its financial sustainability in line with the new ratios introduced.

Voting Requirements: Absolute Majority

RECOMMENDATION

That Council:

1. Notes the 2015/2016 Budget Review Explanation and Summary (Attachment 4).
2. Pursuant to Section 6.8 (1) (b) of the *Local Government Act 1995*, authorises the Chief Executive Officer to amend the 2015/2016 current budget to reflect the changes summarised in the Amended Rates Setting Statement (Attachment 1).

Moved:

Seconded:

Vote:

Attachment 1

Amended Financial Activity Statement by Nature and Type

[Click HERE to go directly to the document](#)

Attachment 2

Amended Financial Activity Statement by Program

[Click HERE to go directly to the document](#)

Attachment 3

Net Current Asset Position

[Click HERE to go directly to the document](#)

Attachment 4

Summarised Report of Amendments

[Click HERE to go directly to the document](#)

Attachment 5

Statement of Amended Reserve Account Movement and Balances

[Click HERE to go directly to the document](#)

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

10.4.3 Forrestfield North Parking Study

Previous Items	SCM 120/2015
Responsible Officer	Director Development Services
Service Area	Development Services
File Reference	
Applicant	N/A
Owner	N/A
Attachment 1	Forrestfield Park and Ride study by Donald Veal Consultants

PURPOSE

1. To accept the Forrestfield Park and Ride study carried out by Donald Veal Consultants, shown in Attachment 1.
2. To authorise the Chief Executive Officer and Shire President to advocate the State Government to reduce the parking numbers.

BACKGROUND

3. At the 29 September 2015 Special Council Meeting, Council resolved the following:

That Council:

1. *Adopts the Forrestfield North District Structure Plan subject to the following modifications:*
 - a. *Removal of Section 6.1 and Figure 9 Parking Evolution Strategy from the Forrestfield North District Structure Plan Report (Attachment 2).*
 - b. *Modifying the District Structure Plan to include hatching over the area to the south of the Forrestfield Station previously identified as Parking Area B to include the notation "Overflow parking area for the Forrestfield Train Station if required and justified through the preparation of an independent parking study."*
2. *Request an appropriately qualified consultant prepare an independent traffic study to investigate and report on the total number of car parking bays required for the Forrestfield Train Station.*
3. *Subject to the outcome of the parking study, and in order to create certainty, request the State Government to complete the acquisition of the land identified for Railway Purposes within this term of Parliament.*

4. *Request the State Government to work with the Shire to identify suitable land that can be used for the purpose of relocation of landowners who wish to continue their businesses within the Shire.*

4. In line with the resolution, the Shire engaged Donald Veal Consultants to prepare the traffic study.

DETAILS

5. Council's resolution in adopting the study noted that an area had been identified for overflow parking if required and justified by the Study. The Study settles on a figure of 1,000 bays at opening, possibly increasing to 1,200 by 2050. This figure and strategy, assuming it is adopted by the West Australian Planning Commission, will be reflected in the future structure plans for this area.
6. No alterations to the endorsed District Structure Plan is required, however the Shire will ensure that the West Australian Planning Commission receives the study and are aware of the conclusions.

STATUTORY AND LEGAL CONSIDERATIONS

7. Nil.

POLICY CONSIDERATIONS

8. Nil.

COMMUNITY ENGAGEMENT REQUIREMENTS

9. Nil.

FINANCIAL CONSIDERATIONS

10. Nil.

STRATEGIC COMMUNITY PLAN

Strategic Planning Alignment

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

OBJECTIVE 4.1 - To ensure land use plans provide long term sustainable population growth.

Strategy 4.1.1 Develop, implement and review strategic land-use plans and policies, which guide the location and sustainability of industrial, commercial and residential areas within the Shire.

SUSTAINABILITY

Social Implications

12. The reduction of parking bays will lead to positive outcomes, through ensuring that an active Transit Oriented Development can be achieved around the station, as an alternative to vast areas of car parking.

Economic Implications

13. The development of the land that would otherwise be car parking will have a beneficial long term economic impact on the community.

Environmental Implications

14. Reducing the car parking available on day one will encourage users to choose more environmentally friendly options, such as bus or car sharing.

RISK MANAGEMENT CONSIDERATIONS

15.

Risk	Likelihood	Consequence	Rating	Action/Strategy
The WAPC and State Government do not accept the study.	Possible	Major	High	Authorise the CEO and Shire Present to advocate for the outcomes recommended in the report.

OFFICER COMMENT

16. The Forrestfield North development is one of the most important future developments of the Shire. With the population of Perth increasing, the importance of creating new communities which can support density, whilst maintaining a very positive quality of life is important.
17. The Shire's concern with the initial numbers was that an area that could be a thriving town centre, with retail, residential and office development, would become an unattractive and under used car park; the largest ever built by the Public Transport Authority.
18. Whilst the recommended car park of 1,000 bays at opening is significantly less than the number the Public Transport Authority had announced, it would still rate as one of the largest car parks at any of their stations.

Voting Requirements: Simple Majority

RECOMMENDATION

That Council:

1. Accepts the independent report, carried out by Donald Veal Consultants shown in Attachment 1.

2. Authorises the Chief Executive Officer and Shire President to advocate to the State Government to reduce the parking numbers.

Moved:

Seconded:

Vote:

Attachment 1

Forrestfield Park and Ride study by Donald Veal Consultants

[Click HERE to go directly to the document](#)

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

10.4.4 CONFIDENTIAL ITEM - Request for an Extension of Staged Developer Contribution Payments for an Approved Light Industry Development– Lot 219 (122) Sultana Road West, Forrestfield

Reason for Confidentiality Local Government Act 1995 S5.23 (f) (i) – “a matter that if disclosed, could be reasonably expected to impair the effectiveness of any lawful method or procedure for preventing, detecting, investigating or dealing with any contravention or possible contravention of the law.”

Previous Items	OCM 136/2013
Responsible Officer	Director Development Services
Service Area	Development Services
File Reference	SL-08/116
Applicant	
Owner	Mr David Letizia

Both Attachments are confidential	<i>Reason for Confidentiality Local Government Act 1995 S5.23 (f) (i) – “a matter that if disclosed, could be reasonably expected to impair the effectiveness of any lawful method or procedure for preventing, detecting, investigating or dealing with any contravention or possible contravention of the law.”</i>
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Confidential Attachment 1	Option A
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Confidential Attachment 2	Option B
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This Item and Attachments has been circulated to Councillors under separate cover

11.0 MOTIONS OF WHICH PREVIOUS NOTICE HAS BEEN GIVEN

11.1 Cr Simon Di Rosso – Proposed Upgrade to the Kalamunda Learning Centre (KLC), Crescent Road, Kalamunda (KLC building)

Rationale

I set out below some of the factual background and matters of concern raised by Mr Tarling (and additionally Mr David Storer, also of the KLC Executive, through email correspondence) on behalf of the KLC and the community during our meeting as being particularly cogent in respect of the rationale for the KLC's request for a new KLC building:

1. The KLC building is:
 - a) Now over 50 years old, asbestos clad and not suitable for the majority of the members who are of retirement age (noting additionally that the originally design was for a golf club);
 - b) Not elderly "friendly" due to inadequate pathways and very steep steps externally and internally (many members who use a walking stick have problems moving around the KLC Building as it is not on one level); and
 - c) Not disabled "friendly" (one elderly member in an electric wheel chair cannot get to parts of the KLC Building due to the doors not being wide enough let alone the stairs);
2. The growth of the KLC membership has risen over the last 10 years from 250 to 737 due to, amongst other things:
 - a) The rapid population growth in the Kalamunda and districts area; and
 - b) The high demographic of the community either in or approaching retirement age;
3. With the higher density housing allowances recently introduced by the Shire, the KLC membership is very likely to continue to grow rapidly (a prospect the KLC welcomes and I suggest, so should the Council);
4. The KLC provides invaluable social interaction opportunities, education and stimulus to large numbers of the Shire's community; and
5. The KLC offers over 76 different courses to our community including, but not limited to tai chi, pilates, yoga (which needs a lot of space), poetry, language studies, home maintenance, painting, pottery, cooking, exercise to music, psychology, calligraphy, writing, baby massage, lacemaking, knitting and crochet, gardening, philosophy, sculpture, silver smithing and art history – all of which are most

valuable to our community and offer a rich diversity of opportunities;
and

6. At present, given the severe restrictions caused by the inadequacies of the KL Building and due to the vast numbers of KLC members, the KLC must operate at three separate facilities, including the Town Hall, Jack Healy Centre and the Gooseberry Hill Community Centre, ultimately making administrative issues extremely cumbersome and complex and causing the KLC to be geographically divided. This leads to a feeling of disorientation, dislocation and disadvantage to KLC members as it becomes difficult to connect with the volunteer staff and other course participants.

KLC proposal in brief

In around June 2014, the KLC in consultation with Shire officers undertook a professional feasibility study which has been presented to the Council and concluded unequivocally that a new KLC Building is warranted and necessary.

The KLC have, after an extensive consultation process inclusive of all members, decided on an ideal construction type and as such have recently presented their preferred option to Councillors.

At present, the rebuilding of the KLC Building is in Council's sights, as the project is already in the Council's long term strategic plan. The build however is not currently planned until around 2020. I would submit to Council that this timeframe is markedly too long.

Conclusion

It goes without saying that Council has a significant responsibility to support not only the growth, but the health, education, socialisation and collegiality of our community, Council must likewise agree that it is incumbent upon us to seek to ensure that our facilities are apt to foster and support the same.

I believe that we, as a Council, should strive to move this matter to the forefront of our considerations and accordingly our budget for 2016/2017 for action.

I understand however (as I am sure the community and the KLC will likewise) that to bring such a large capital expenditure forward for Council to deliver alone is not possible. I therefore present this motion for Council's consideration with a view to ensuring that all Councillors are given an opportunity to:

1. Understand precisely what the KLC is and does for the community;
2. Recognise the need for a renewed KLC Building; and
3. Seek to commence investigations into how we could achieve a new facility for the KLC in combination with external funding options to be investigated.

This motion is not seeking to commit Council to the project at this stage, but rather seeks to expedite the opportunity for election pledges over the next 12 months with a State and Federal election looming . It would be remiss of this Council not to put this project front and centre in our advocacy efforts.

Office Comment

The Shire has been working with the Learning Centre over the past two years to assist in the realisation of an improved facility.

The existing building is at the end of its useful life and in need of upgrading. The motion is therefore supported if external funding can be obtained.

It should be noted that if the Shire was required to fully fund the build it would equate to a six percent rate increase.

Voting Requirements : Simple Majority
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That Council request the Chief Executive Officer:

1. To review the concept plans presented by the Kalamunda Learning Centre (KLC) and to outline a process to develop detailed design plans that can be used in a tender process and ultimately, advocacy process, with consideration to a co-contribution by the KLC.
2. List for consideration in 2016/17 budget funding to enable detailed designs and tenders to be undertaken if partnership funding is secured through advocacy efforts.

Moved: **Cr Simon Di Rosso**

Seconded:

Vote:

11.2 Cr John Giardina – Kalamunda Aged Care Advisory Committee

Rationale

I understand that the Lesmurdie Districts Community Association (LCDA) applied to be on the Kalamunda Aged Care Advisory Committee (KACAC) but due to a breakdown in communication the submission was not assessed and reported to Council.

In light of this unfortunate mishap I feel strongly that we should allow the LCDA representation. I move this because of the work and strong advocacy the LCDA has provided the Shire over the past and know they have a significant contribution to make in the future.

It has also been advised by the Kalamunda Men's Shed they wish to participate on the Committee. I therefore would like to nominate Ray Maher as their representative.

I also move this because having the LCDA, the Aged Care Today (ACT) and the Kalamunda Learning Centre (KLC) together provide the highest and best value in terms of community representation to assist the Shire support our aging community.

Officer Comment

The motion is supported.

Voting Requirements: Absolute Majority

That Council:

1. Amend the following clauses of the Kalamunda Aged Care Committee Terms of Reference:
 - a. Clause 5 - Opening sentence to increase membership to 10
 - b. Clause 5.4 - To increase Community Representation Organisations to four
2. Pursuant to Clause 5.4 appoints Iris Jones and Ray Maher to the Kalamunda Aged Care Advisory Committee

Moved: **Cr John Giardina**

Seconded:

Vote:

11.3 Cr Noreen Townsend – York Street Reserve as Low Care Aged Persons Facility

Rationale

There are a number of aspects to this motion for development of an aged care facility on this reserve –

1. Is the desperate need for low care aged care accommodation and this piece of land provides the opportunity to undertake a complete development of the reserve with an emphasis on aged care, which is the first step to progressing the aged care issue in the Shire of Kalamunda.

A two storey development would sit nicely on this degraded area, providing some 60 to 80 low care rooms with the second storey being serviced by lifts and stairs. A two storey development would enable the footprint of the building to be contained within the degraded area. It would provide an excellent visual aspect for residents looking out and if designed in empathy with the surrounding reserve, a much improved use of the reserve and visual amenity

2. This reserve is used by undesirables for trail bike riding; for anti-social behaviour of many types including drug use; alcohol abuse; family violence and the like. A development of this nature would reduce the opportunity for those activities and would provide increased security for surrounding residents because of the activities involved with the facility.
3. A further advantage to developing this reserve is the opportunity to create an ornamental feature from the current lake area. At the moment it is simply being used as a dump for refrigerators; cars; shopping trolleys and the like. It has great potential if developed in sympathy with the development of the site, and once again development on the site would reduce the use of the lake as a "tip". This would also provide a facility to local residents to frequent and use for family activities.
4. It would include all areas of high value natural bushland as determined through appropriate environment studies and community consultation being preserved and protected and enhanced through the development of Bushland Management Plan.
5. The total area of the reserve is some 12 hectares and currently is in a neglected and environmentally devastated condition presenting a very negative image to residents. An overall development plan as described above would meet many of the social physical and emotional requirements through the provision of an aged care facility
6. It is time we did something in this area of the provision of aged care and not just continued the talk fest.

It is suggested that funding or even joint venture funding be investigated for the construction of the aged care facility, or expressions of interest from aged care provider organisations.

Officer Comment

The Shire currently has limited internal resources to assist in such a development. It is noted that there would likely be some financial cost for any studies and business cases to be presented, however the Shire is unable to speculate what those costs would entail.

The land is currently a reserve for recreation and extensive consultation would be required with the local community as part of any works in the area. Whilst the land is degraded, the Shire will need the cooperation of the Department of Planning and Department of Lands to pursue such an outcome.

The Shire's preference would be to pursue discussions with LandCorp or another agency to determine the scope and cost of a feasibility study, prior to coming back to Council with a budget proposal.

Voting Requirements: Simple Majority

That Council:

1. Request the Chief Executive Officer to investigate the feasibility of a portion of the degraded area of York Street reserve in Forrestfield being developed for the construction of a low care aged persons facility.
2. Request the investigation to consider developing the “lake” area as an ornamental feature, and that all areas of high value natural bushland as determined through appropriate environment studies and community consultation be preserved and protected and enhanced through the development of Bushland Management Plan.
3. Request the Chief Executive Officer to seek expressions of interest for appropriate organisations to partner or to develop a facility, such as Landcorp.

Moved: **Cr Noreen Townsend**

Seconded:

Vote:

11.4 Cr John Giardina – Allan Fernie Pavilion

Rationale

The Presentation received by the Pickering Brook Sports Club demonstrated that the building can be safely secured to allow a Feasibility Study to be undertake.

The Feasibility Study will then provide Council will relevant information as to the future use and need for any redevelopment. The Feasibility Study may also show that it is not a viable proposal but until Council has a Feasibility Study that provides strategic direction I feel we should support and enable the study to be undertaken.

Officer Comment

The motion is supported.

Voting Requirements: Simple Majority

That Council:

1. Agrees to transfer funds allocated in the 2016/2017 Long Term Financial Plan for the demolition of the Allan Fernie Pavilion to the Shire's Building Reserve hypothecated for the purposes of refurbishing the Allan Fernie Pavilion, subject to Council's acceptance of the Feasibility Study to be provided by the Pickering Brook Sports Club.
2. Request the Chief Executive Officer to work with the Pickering Brook Sports Club in the development of the Feasibility Study for the Allan Fernie Pavilion.
3. Request the Chief Executive Officer to seek quotes for an asbestos coating treatment of the roof which will provide protection for 24 months.

Moved: **Cr John Giardina**

Seconded:

Vote:

12.0 QUESTIONS BY MEMBERS WITHOUT NOTICE

13.0 QUESTIONS BY MEMBERS OF WHICH DUE NOTICE HAS BEEN GIVEN

13.1 Ordinary Council Meeting 22 February 2016, 10.3.2 Rates Debtors Report for the Period Ended 31 January 2016

- Q. A Councillor requested clarification of the debt recovery and escalation process in relation to following up debtors; a debt collection policy is to be taken to Council, Acting Director Corporate Services will provide a copy of the current process to Councillors.
- A. The Rates collection process is as follows:
- Rate notice issued early July giving 35 days to pay (Legislated)
 - Final notice issued to all accounts that have not paid in full, not on instalments and do not have a Direct Debit payment arrangement giving seven (7) days to pay. This would normally occur approximately 14 days after due date.
 - List sent to Collection agency for Letter of Demand (LOD) giving seven (7) days to pay.
 - In the case where the owner of a leased or rented property on which rates are outstanding cannot be located, or refuse to settle the rates owed, a notice will be served on the lessees under

provision of the Local Government Act 1995 section 6.60 requiring the lessee/tenant to pay to the Shire the rent due under the lease/tenancy agreement as it becomes due, until the amount of rates outstanding including interest has been paid in full.

- If balance is greater than \$500 a General Procedure Claim (GPC) is issued through the Courts. The ratepayer has (fourteen) 14 days to respond.
- A payment arrangement can still be made at this time by direct debit and completed by the last instalment due date.
- If still no response or payment default judgement is obtained and letter is sent to the ratepayer to advice.
- After seven (7) days a Property Sales & Seizure Order (PSSO) on goods is issued through the Courts authorising the Bailiff to seize and sell property to the value of the debt after confirming with the Shire.

If there are no goods to seize or lower in value than the debt owed and the debt remains outstanding then a recommendation to Council is requested to authorise the issue of a PSSO for land, with the intent that if the debt is still not paid the property will be sold by public auction.

The Shire has introduced a range of additional options to assist ratepayers in managing their rates accounts, including, A Smarter Way to Pay, eRates, BPay View.

13.2 10.3.7 Canberra Advocacy March 2016

Q. A Councillor asked if it was possible to see the plans which will be presented in Canberra; the Chief Executive Officer will ensure this is provided to all Councillors.

A. The plans were shown to Councillors on Monday 14 March 2016.

13.3 Cr Dylan O'Connor – Walliston Transfer Station

Q. I understand WorkSafe inspected Walliston Transfer Station and wrote an order, have those or that item been rectified?

A. The improvement notice received on 10 December relates to the interaction between heavy plant and the public at the Walliston Transfer Station. The issue relates to the risk of incidents where members of the public may be exposed to collision /crush hazards around the green waste stockpile.

The administration has undertaken the following actions:

1. Completed the Job Safety Analysis.

2. Completed the "Procedure for Management of Stockpiled Waste at Transfer Station".
3. Implemented barriers to enable the isolation of the stockpile from the public when using the loader for stockpile management activities.
4. Reported the actions to WorkSafe

13.4 Cr Dylan O'Connor – Good Samaritans Clothing Bins

Q. I have been contacted on numerous occasions regarding clothing being left by Good Sammy bins and that complaints had been passed to Shire Staff. Could I have an update as to what contact has been made to Good Samaritans and other providers of these bins?

A. In the past six months there have been two site meetings and one correspondence between the Shire and the Charity bin operators, which covered issues including:

- Removal of bins from site
- Re-location of bins
- Site visits
- Clean up of waste & clothing dumped around bins

In response to this question a further letter has been sent to Good Samaritan Industries to review the frequency of scheduled clean ups at clothing bin sites.

14.0 URGENT BUSINESS APPROVED BY THE PRESIDING MEMBER OR BY DECISION

15.0 MEETING CLOSED TO THE PUBLIC

16.0 CLOSURE