



Ordinary Council Meeting

MINUTES

Tuesday 27 February 2024

INDEX

| | |
|--|-----------|
| 1. Official Opening..... | 3 |
| 2. Attendance, Apologies and Leave of Absence Previously Approved | 3 |
| 3. Public Question Time | 3 |
| 4. Petitions/Deputations | 8 |
| 5. Applications for Leave of Absence | 9 |
| 6. Confirmation of Minutes from Previous Meeting | 9 |
| 7. Announcements by the Member Presiding Without Discussion..... | 14 |
| 8. Matters for Which the Meeting may be Closed | 14 |
| 9. Disclosure of Interest..... | 15 |
| 10. Reports to Council..... | 16 |
| 10.1. Development Services Reports | 16 |
| 10.1.1. Lot 14 (12) Mead Street, Kalamunda - Response to Petition..... | 16 |
| 10.2. Asset Services Reports | 21 |
| 10.2.1. Solar Farm Progress Update | 21 |
| 10.3. Corporate Services Reports | 30 |
| 10.3.1. Corporate Business Plan - Quarterly Update - October to December 2023 | 30 |
| 10.4. Community Engagement Reports..... | 34 |
| 10.5. Office of the CEO Reports | 34 |
| 10.5.1. CONFIDENTIAL - Removal of Personal Information from Published Documents - Special Council Meeting 20 April 2015 | 34 |
| 10.6. Chief Executive Officer Reports | 36 |
| 10.6.1. Monthly Financial Statements to 31 January 2024..... | 36 |
| 10.6.2. Debtors and Creditors Reports for the period 1 November 2023 to 31 January 2024 | 44 |
| 10.6.3. Rates Debtors Report for the Period Ended 31 January 2024..... | 51 |
| 10.6.4. Budget Review for Six Months to December 2023..... | 55 |
| 11. Motions of Which Previous Notice has been Given | 64 |
| 11.1. Local Planning Policy 23 – Tree Retention. | 64 |
| 11.2. Local Planning Policy 23 – Tree Retention. | 66 |
| 12. Questions by Members Without Notice | 68 |
| 13. Questions by Members of Which Due Notice has been Given..... | 68 |
| 14. Urgent Business Approved by the Presiding Member or by Decision..... | 69 |
| 15. Meeting Closed to the Public | 69 |
| 16. Tabled Documents | 69 |
| 17. Closure..... | 69 |

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

Mayor

Margaret Thomas JP (Presiding Member)

Councillors

South East Ward

John Giardina

Geoff Stallard

South West Ward

Mary Cannon

Brooke O'Donnell

North West Ward

Lisa Cooper

Dylan O'Connor

North Ward

David Modolo

Kathy Ritchie

Members of Staff

Chief Executive Officer

Nathan Ritchie - Acting Chief Executive Officer

Executive Team

Sinead McGuire/Director Asset Services

Freya Ayliffe - A/Director Community Engagement

Gary Ticehurst - Director Corporate Services

Chris Lodge - A/Director Development Services

Management Team

Regan Travers - Manager Approval Services

Kath Parkinson - Manager Customer & Public Relations

Administration Support

Darrell Forrest - Governance Advisor

Donna McPherson - Executive Assistant to the CEO

Members of the Public 98

Members of the Press 1

Apologies Nil

Leave of Absence Previously Approved Nil

3. Public Question Time

3.1. Questions Taken on Notice at Previous Meeting

3.1 Marion Rolfe – Gooseberry. Hill (taken on notice Annual Electors Meeting 6 February 2024)

Q. With the City's of Kalamunda's addiction to 'other' funding sources how is the City's future planning with regard to Reserve funding of the 'Big Picture' considerations. I am aware that the current budget, the 2023/24 budget has an amount of \$2 million allocated for Scott Reserve. Is the City choosing to be reactive to other funding sources rather than being proactive There is no reserve funding for future development fo the 'Big Picture'.

A. The City has an approved long term financial plan where projects are identified and have tentative funding sources identified to allow for the future budget forecasts to be balanced. The City does not have the capacity to self-fund large strategic projects hence has been proactively advocating for funding from both the Federal and State Governments. The provision for these large projects as you would appreciate is complex involving multiple stakeholders for which appropriate consultations are required.

Actions that are happening internally are as follows:

- a) Is waiting for these external funding sources to be confirmed, the City has been actively growing its Reserve balances.
- b) Ensuring it has a very strong balance sheet position for loan borrowings if required as in the case of the Scott Reserve project.
- c) The City has been working with the key clubs that use a particular facility to not only provide valuable input on the future designs and development of the facility but also ensure that they are with us on the journey and pay a contribution towards the project. The City is actively engaging with the clubs and ensuring that their financial sustainability's are in good stead and necessary contributions earmarked are being ring fenced to allow for the successful implementation of the project. The amount of contributions will include an escalation factor to allow for future cost increases.

- d) Our Asset Planning and Delivery, Community Development and Finance teams are actively involved in the determinations of the design, delivery, and costings to ensure that the funding applications made are appropriate and pitched at the right level.

Once these funding agreements are confirmed, the City places the necessary funding mechanisms in place which would be a combination of funding from the annual rates generated, Reserves transfers, loan borrowings and ensuring the appropriate milestone reporting is in place to reduce any negative cashflow impacts the City could face.

3.2. Public Question Time

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

3.1 Tom Hull (representing Brian Baker, Lesmurdie)

Q. Can the Council advise why the bus shelter (Shelter 13761) was dismantled without any consultation and can the Council advise when the shelter will be replace.

A. The Director the Asset Services advised this bus shelter, and others, were recently removed by the Public Transport Authority (PTA). The City is liaising with the PTA to understand the reasons why, and to inform improvements in the future as to how we consult and convey this information to our community. In relation to the reinstatement of Shelter 13761 this is a line item in the Mid Year Budget Review which is subject to a decision for council adoption. If this item is supported by Council the City will be undertaking the reinstatement of the bus shelter. The exact timeframe of the reinstatement is taken on notice. The City will advise Mr Baker when the works have been programmed.

3.2 Charles Dornan, Wattle Grove

Q. Given data published by the Royal Melbourne Institute of Technology (RMIT) in 2020 which highlighted Kalamunda had one of the largest reductions in tree canopy cover amongst all local government in Australia how will the Mayor explain to the media the 'dumping' of the tree retention policy if agenda Item 11.1 is supported by council?

A. The A/Director Development Services advised the RMIT research referred to from 2020 rightly does identify the City as having significant decline in tree canopy. It is worth noting as part of this reasearch it was also acknowledged the City was significantly affected by bushfire which had the effect of exaserbating the data and this has been dealt with in terms of the City's review of the Urban Forrest Strategy and is documented within the Strategy that there were some inconsistencies in the way the information was presented.

Q. During the debate on the item (11.1) can the Councillors, who have indicated support for the motion, indicate individually why you believe it constitutes good governance for this City to leave a complete policy vacuum in this crucial area rather than opting to review the policy as permitted within the City's Governance Framework.

A. The Mayor requested Mr Dornan ask questions in relation to the issue.

3.3 Joshua Clark, Walliston

Q. In relation to the RMIT 2020 data reference was made in an early response that bush fire was partly to blame for the reduction in canopy levels, could you also speak to the percentage of the reduction in canopy which occurred due to land development.

A. Given the methodology adopted by RMIT it would not be possible to accurately give an indication as to the percentage of clearing attributed to urban development, but it is widely reported that urban development processes can result in urban canopy decline generally and we see that in growth councils throughout the metropolitan area.

3.4 Brett Machielsen, Piesse Brook

Q. I would like to know how many Councillors live in the area?

A. The Mayor advised to be eligible to be an elected member you are required to either live within the local government district or have a business within the district.

Q. How many of you live on "normal" blocks and how many live on rural blocks?

A. The Mayor advised this was a personal question and councillors are not required to provide this information.

Q. At what stage do residents get the right to remove a tree on their property or pay money to the council to be able to remove a tree?

A. In a rural context there are a range of reasons why you may choose to remove trees. The policy currently adopted by the council provides a range of exemptions and the intent behind those exemptions is to provide a level of balance for land owners whereby there is a reasonable and logical reason for removing trees on your land. In order to satisfy the exemption you make the city aware of the reason. In the event of an immediate risk to life or property the circumstances would be different in relation to the ability to take immediate action.

3.5 Brendan Cahill, Gooseberry Hill

Q. Is this an extension (Local Planning Policy 33) of the Urban Forest Project?

A. The City has an Urban Forest Strategy and this policy forms an important part of delivering on the Strategy.

Q. How many Urban Forestry Officer will the City have monitoring compliance.

A. The City has an Environmental Planner allocated to the coordination of the implementation of the Urban Forest Strategy. The implementation of the Strategy extends to parks and garden management and the regulatory processes of the City through approvals.

3.6 Jenelle Sewell, Bickley

Q. In the past 15 to 20 years has there been another instance where council has revoked a policy without public consultation, a public agenda briefing or strategy session?

A. Taken on notice.

Q. If there has not been (*instances where policies have been revoked*) and the motion to revoke Local Planning Policy 33 - Tree Retention would this set a dangerous precedent regarding the City of Kalamunda's governance?

A. The Governance Advisor advised it may set a precedent, but it is dependent on the circumstances of what is being considered.

4. Petitions/Deputations

- 4.1 A deputation was provided by Steve Gates, representative Nature Reserves Preservation Group, in relation to Item 11.1 Local Planning Policy 33 - Tree Retention. Mr Gates provided a deputation against Item 11.1 and particularly in relation to the lack of consultation and the negative effects on the implantation of Urban Forest Strategy, the Climate Action Plan and the Environmental Land Use Strategy.
- 4.2 A deputation was provided by Bev Dornan, Wattle Grove, in relation to Item 11.1 Local Planning Policy 33 - Tree Retention. Ms Dornan provided a deputation against Item 11.1 and particularly in relation the governance process undertaken and the compliance with the City of Kalamunda Standing Orders Local Law. Ms Dornan asked Council to support the Motion presented by Cr Kathy Ritchie.
- 4.3 A deputation was provided by Victoria Laurie, Gooseberry Hill, in relation to Item 11.1 Local Planning Policy 33 - Tree Retention. Ms Laurie provided a deputation against Item 11.1 and spoke of the positive impact of the policy on the community and the environment more generally.
- 4.4 A deputation was provided by Dr Michelle Bunn, Kalamunda, in relation to Item 11.1 Local Planning Policy 33 - Tree Retention. Dr Bunn provided a deputation against Item 11.1 and requested council reject the motion and support the motion as presented as Item 11.2 to review Local Planning Policy 33. Dr Bunn raised concern with regard to the lack of consultation in relation to the revocation of the Policy.
- 4.5 A deputation was provided by Fritz Jost, Hackets Gully, in relation to Item 11.1 Local Planning Policy 33 - Tree Retention. Mr Jost provided a deputation in favour of Item 11.1 and spoke of the impact of the Policy on the safety of the community and the environment.
- 4.6 A deputation was provided by Dr Holly Bradley, Lesmurdie, in relation to Item 11.1 Local Planning Policy 33 - Tree Retention. Dr Bradley provided a deputation against Item 11.1 and request Council consider deferral of the revocation of the Policy to better understand the ramifications. Dr Bradley made reference to the effect of Climate change on residents of the City and habitat loss.
- 4.7 A deputation was provided by Janelle Sewell, Bickley, in relation to Item 11.1 Local Planning Policy 33 - Tree Retention. Ms Sewell provided a deputation against Item 11.1 and raised issues in relation to respect, governance and consultation in relation to the revocation of the Policy.

- 4.8 A deputation was provided by Joshua Clark, Walliston, in relation to Item 11.1 Local Planning Policy 33 - Tree Retention. Mr Clark provided a deputation in favour of Item 11.1 and spoke of his experience in relation to the implementation and interpretation of the Policy.

Council sought clarification of matters raised within various deputations.

5. Applications for Leave of Absence

- 5.1 Nil.

6. Confirmation of Minutes from Previous Meeting

- 6.1 RESOLVED OCM 6/2024

That the Minutes of the Ordinary Council Meeting held on 12 December 2023, as published, and circulated, are confirmed as a true and accurate record of the proceedings, subject to the following amendments:

1. Inclusion of the following amendment after the word "proceedings" in Item 6.1.

Subject to the inclusion of text of the following questions at Item 4.1 -

"Questions presented 28 November 2023 – P M Ryan

Question 1:

We call on the City of Kalamunda and / or the State Government to purchase the properties at 117, 123 and 129 Sultana Road West, High Wycombe by no later than 31 January 2024, if by the 15th December 2023, the City fails to prove it complies with key planning requirements.

Please provide a reply by no later than 7 December 2023.

Seven (7) years of written and verbal complaints to the City have been in vain. The cliché that the City repeats about continuing to monitor and trying to get compliance in Stage 1, has run out of credibility after 7 years. General Industry is not permitted in Stage 1. Stage 1 is licensed for Light Industry. Our properties are being used as the industrial buffer zone on the exposed northern side for Stage 1. We continue to be forced to live in this buffer zone, and forced to stay here against our will and it may even be against the law to keep us here. We reject the direction set by the State Government and the City that we should live like this for another 20 or 30 years. The price claimed is \$275/m². This is the price the City has established as market value for land the City needs to pay for land for Stage 1 to continue to function. The Agreement that the owners of the three (3) properties have, is

that we will only sell as a single parcel of land, and the price for these three (3) properties is to be averaged to be the same \$/m2 across all three.

Question 2:

I ask Councillors to vote urgently on a Motion, and submit it to the State Government on behalf of

- 1. All Ratepayers of the City of Kalamunda (ratepayers) and*
- 2. Duplicate for the Ratepayers / Landowners in the LSP for High Wycombe South (landowners)*

The submission is related to the land described as Stage 3 High Wycombe Industrial Area. And request a reply from the State Government by no later than 21 December 2023.

Objective of the Motion

We call on the State Government to deal promptly and effectively with the hardship issues present, and emerging, ignited by the events of 6 August 2014 and to achieve this by

- i. restoring Stage 3 to a zoning of light industry, as it was prior to the announcement on 6 August 2014 about the airport train and tunnel or*
- ii. sincerely entering discussions about a remedy including compensation for ratepayers and landowners for example funding a DCP of \$0/m2 for High Wycombe South*

The rezoning of our land in Stage 3 from light industry to residential meant that

- a) ratepayers of Kalamunda Shire Council lost an estimated \$26.5 million and*
- b) landowners in the precinct of HWS in addition, lost about \$126.7 million*

A detailed analysis is provided in attachments.

If landowners and ratepayers do not receive a satisfactory reply from the State Government by 21 December 2023, Council to call a Special Council Meeting as soon as possible but on or before 16 January 2024, to then vote on a Motion to demand an independent and public inquiry into the process surrounding the State Government's actions regarding the fate of light industry zoning for Stage 3.

Questions about a loss of \$153 million justify an inquiry.

The Premier and WAPC Chairman are cc'd on this Question."

2. In point 1 of Council Motion 178/2023 (Item 10.1.3) delete "Attachment 2" and replace with "Attachment 3".

Moved: **Cr Dylan O'Connor**

Seconded: **Cr John Giardina**

Vote: For: **Mayor Margaret Thomas, Cr Dylan O'Connor, Cr John Giardina, Cr Geoff Stallard, Cr Mary Cannon, Cr Brooke O'Donnell, Cr Lisa Cooper, Cr Kathy Ritchie and Cr David Modolo**

Against: **Nil**

CARRIED UNANIMOUSLY (9/0)

RESOLVED OCM 7/2024

- 6.2 That the Minutes of the Special Council Meeting held on 6 February 2024, as published and circulated, are confirmed as a true and accurate record of the proceedings.

Moved: **Cr John Giardina**

Seconded: **Cr Lisa Cooper**

Vote: For: **Mayor Margaret Thomas, Cr Dylan O'Connor, Cr John Giardina, Cr Geoff Stallard, Cr Mary Cannon, Cr Brooke O'Donnell, Cr Lisa Cooper, Cr Kathy Ritchie and Cr David Modolo**

Against: **Nil**

CARRIED UNANIMOUSLY (9/0)

7. Announcements by the Member Presiding Without Discussion

I'm pleased to share some highlights of our community's vibrant activities and achievements.

Firstly, I am thrilled to report that our Citizenship Ceremony on 26 January was a resounding success, with over 40 new citizens warmly welcomed into our community. It was a truly heartwarming occasion, symbolising the diversity and inclusivity that defines our City.

Additionally, we honoured five exceptional individuals with the Auspire Citizen of the Year award. Their contributions to our local community are truly commendable, and they serve as shining examples of civic engagement and leadership.

Our Annual General Meeting of Electors was efficiently conducted earlier this month, concluding in under 10 minutes. This efficient meeting underscores our commitment to transparency and accountability in governance.

Despite the scorching temperatures, myself and Cr Cannon had the privilege of visiting the Forrestfield Little Athletics Club to check out the new shot put ring and jump pit. These enhancements are part of the ongoing Hartfield Park Stage 2 works program, which promises further upgrades and improvements over the next year.

One of the highlights of my role is engaging with our future leaders, as demonstrated during my recent visit to the Darling Range Sports College's first assembly of the year.

I am continually inspired by the dedication and spirit of our community - together, we will continue to foster a vibrant and inclusive City for all.

8. Matters for Which the Meeting may be Closed

- 8.1 Item 10.1.1. Response to Petition - Lot 14 (12) Mead Street, Kalamunda – CONFIDENTIAL ATTACHMENT – Petition

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

- 8.2 Item 10.5.1. Removal of Personal Information from Published Documents - Special Council Meeting 20 April 2015 - **CONFIDENTIAL ATTACHMENT** – Submitters List

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

- 8.3 Item 10.6.4 Budget Review for Six Months to December 2023 **CONFIDENTIAL ATTACHMENT** – Consolidated Detailed CAPEX Report for Mid-Year Review 2023/2024

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

9. Disclosure of Interest

9.1. Disclosure of Financial and Proximity Interests

- a) Members must disclose the nature of their interest in matters to be discussed at the meeting. (Section 5.56 of the *Local Government Act 1995*.)
- b) Employees must disclose the nature of their interest in reports or advice when giving the report or advice to the meeting. (Section 5.70 of the *Local Government Act 1995*.)

9.1.1 Nil.

9.2. Disclosure of Interest Affecting Impartiality

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

9.1.2 Nil.

The Presiding Member advised the meeting Item 11.1 and 11.2 would be considered prior to consideration of any other items on the agenda.

Council debated Item 11.1 before it was put to a vote.

Council debated Item 11.2 before it was put to a vote.

Following consideration of Item 11.2 the Presiding Member adjourned the meeting at 9:17pm. The meeting reconvened at 9:25pm all elected members, members of staff and one member of the public returned.

10. Reports to Council


10.1. Development Services Reports

10.1.1. Lot 14 (12) Mead Street, Kalamunda - Response to Petition

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

| | |
|----------------|----------------------|
| Previous Items | N/A |
| Directorate | Development Services |
| Business Unit | Approval Services |
| File Reference | MD-06/012 |
| Applicant | N/A |
| Owner | N/A |
| Attachments | Nil |

TYPE OF REPORT

| | |
|---|--|
| Advocacy | When Council is advocating on behalf of the community to another level of government/body/agency |
| Executive | When Council is undertaking its substantive role of direction setting and oversight (eg accepting tenders, adopting plans and budgets) |
|  Information | For Council to note |
| Legislative | Includes adopting Local Laws, Town Planning Schemes and Policies. When Council determines a matter that directly impacts a person's rights and interests where the principles of natural justice apply. Examples include town planning applications, building licences, other permits or licences issued under other Legislation or matters that could be subject to appeal to the State Administrative Tribunal |

STRATEGIC PLANNING ALIGNMENT

Kalamunda Advancing Strategic Community Plan to 2031

Priority 4: Kalamunda Leads

Objective 4.1 - To provide leadership through transparent governance.

Strategy 4.1.1 - Provide good governance.

EXECUTIVE SUMMARY

1. The City of Kalamunda (City) has received a petition regarding Lot 14 (12) Mead Street, Kalamunda (the subject site). The petition has been signed by 993 petitioners who are requesting action in the removal of or re-development of the subject site.

Of the 993 petitioners 16 petitioners signed more than once, One name with no signature and 4 names with one petitioners' signature (two names one signature).

2. The intent of the petition was to advocate for the demolition of the existing building or redevelopment of the subject site.
3. That Council NOTE the Petition in Confidential Attachment 1.

BACKGROUND

4. The subject site is located on the corner of Mead Street and Central Road in Kalamunda and is zoned 'Centre' under Local Planning Scheme No.3 and comprises a land area of 884.43m².



5. The site contains an existing two-storey building with a basement for car parking. The site was previously utilised for various commercial land uses but most recently operated as a Medical Centre land use.
6. The building is currently vacant and has been vacant since circa 2010, when the medical centre ceased operation at the site.

7. The City notes the property is listed for sale.

DETAILS AND ANALYSIS

8. The petition was submitted to the City advocating for the removal of the existing building and/or redevelopment of the subject site.
9. At the City's Ordinary Council Meeting held on 22 August 2023 a petition was presented for tabling by Izzy Eastman and Penny Blyth. The intent of the petition is "Action in the removal of, or redevelopment of 12 Mead Street abandoned building Kalamunda". The petition contains 993 signatures and is attached at Confidential Attachment 1.
10. The petition outlines the main concerns of the site from the community in its current form which include:
- a) Concerns that the current building is a health problem and contains asbestos.
 - b) Concerns that the current building is unsafe.
 - c) The building is an "eye-sore" and is having negative impacts on the amenity of the area.
 - d) The current building is not the best use of the space.
11. The petition contains a column which petitioners outlined an opinion/suggestion for redevelopment which includes, but is not limited to, mixed use development, car parking, residential, art studio, youth centre, .
12. The City notes the concerns raised by the community through the petition and is for Council's information and noting.

APPLICABLE LAW

13. N/A

APPLICABLE POLICY

14. N/A

STAKEHOLDER ENGAGEMENT

15. N/A

FINANCIAL CONSIDERATIONS

16. N/A

SUSTAINABILITY

17. N/A

RISK MANAGEMENT

| | | | |
|-----|---|-------------------|---------------|
| 18. | Risk: The building deteriorates further and requires additional mediation. | | |
| | Consequence | Likelihood | Rating |
| | Moderate | Possible | Medium |
| | Action/Strategy | | |
| | Ensure that appropriate action is taken if the building poses a threat to the safety of the community through the issue of a building order and compliance follow-up. | | |

CONCLUSION

20. The City’s response to the matters raised in the petition is for Council’s information and noting.

Voting Requirements: Simple Majority

RESOLVED OCM 10/2024

That Council NOTE the matters raised in the Petition in Confidential Attachment 1 and the City’s response.

Moved: **Cr Geoff Stallard**

Seconded: **Cr John Giardina**

Vote: For: **Mayor Margaret Thomas, Cr Dylan O'Connor, Cr John Giardina, Cr Geoff Stallard, Cr Mary Cannon, Cr Brooke O'Donnell, Cr Lisa Cooper, Cr Kathy Ritchie and Cr David Modolo**

Against: **Nil**

CARRIED UNANIMOUSLY (9/0)


10.2. Asset Services Reports

10.2.1. Solar Farm Progress Update

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

| | |
|----------------|--|
| Previous Items | OCM 262/2019; OCM 200/2020; OCM 101/2021 |
| Directorate | Asset Services |
| Business Unit | Asset Services |
| File Reference | 3.009592; DW-02/120 |
| Applicant | City of Kalamunda |
| Owner | City of Kalamunda |
| Attachments | Nil |

TYPE OF REPORT

| | |
|---|--|
| Advocacy | When Council is advocating on behalf of the community to another level of government/body/agency |
|  Executive | When Council is undertaking its substantive role of direction setting and oversight (e.g. accepting tenders, adopting plans and budgets) |
| Information | For Council to note |
| Legislative | Includes adopting Local Laws, Town Planning Schemes and Policies. When Council determines a matter that directly impacts a person's rights and interests where the principles of natural justice apply. Examples include town planning applications, building licences, other permits or licences issued under other Legislation or matters that could be subject to appeal to the State Administrative Tribunal |

STRATEGIC PLANNING ALIGNMENT

Kalamunda Advancing Strategic Community Plan to 2031

Priority 2: Kalamunda Clean and Green

Objective 2.2 - To achieve environmental sustainability through effective natural resource management.

Strategy 2.2.1 - Manage the forecast impacts of a changed climate upon the environment.

Strategy 2.2.2 -Work towards a Carbon Neutral Footprint of City-operated areas.

Priority 2: Kalamunda Clean and Green

Objective 2.4 - To ensure contaminated sites are safe.

Strategy 2.4.1 - Identify, examine and manage risk associated with contaminated sites.

Priority 3: Kalamunda Develops

Objective 3.3 - To develop and enhance the City's economy.

Strategy 3.3.2 - Attract and enable new investment opportunities.

Priority 4: Kalamunda Leads

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

Strategy 4.2.2 - Increase advocacy activities and develop partnerships to support growth and reputation.

EXECUTIVE SUMMARY

1. The purpose of this report is to provide an update regarding investigations for a solar farm at Pioneer Park, Forrestfield (Solar Farm Project).
2. It is recommended that Council note the next steps in the Solar Farm Project including progressing detailed site investigations and an integrated strategy on the Future Use of Contaminated Sites. In addition, a review of the relevant corporate business plan action will be undertaken for Council's consideration.

BACKGROUND

3. At the June 2021 Ordinary Council Meeting, a report titled the Consideration of Potential Solar Farm Location was received by the Council. It was resolved (OCM 101/2021) that Council:
 1. NOTE this report into the progress of the Solar Farm project.
4. This was a subsequent update following the October 2020 Ordinary Council Meeting, where a feasibility study into a solar farm was received by the Council. It was resolved (OCM 200/2020) that the Council:
 1. RECEIVE the report (Attachment 1) regarding the feasibility of a solar farm at Pioneer Park.
 2. ENDORSE the following actions to be undertaken by the City:
 - a) develop and implement a community engagement plan regarding the concept of a solar farm at Pioneer Park;

- b) consult at senior level with WAPC to seek their approval in principle or otherwise for a solar farm to be located at Pioneer Park;
 - c) complete the studies to resolve the status of the contaminated site or otherwise for Pioneer Park; and
 - d) seek Expressions of Interest from the market into the potential for development of the site at Pioneer Park for a solar farm.
3. RECEIVE a subsequent report on the subject at an appropriate time.
5. As reported in the June 2021 Ordinary Council, the City has completed Item 2a) and provided a progress report on items 2b) and 2c). This report will provide a further update on items on 2b, 2c and 2d to inform next steps.

DETAILS AND ANALYSIS

6. In relation to 2b): Consult at senior level with WAPC to seek their approval in principle or otherwise for a solar farm to be located at Pioneer Park;

In June 2021, the Council reported noted:

Regarding the Western Australian Planning Commission (WAPC) consultation, the advice provided to the City was that WAPC would only consider the proposal if a genuine Development Application was lodged and would not be providing any 'in principle' support or advice.

This matter whilst it is a risk to the project viability can be dealt with later and as such is not a barrier to continuing the project planning.

7. Since this time the City after discussions and suggestion by DPLH submitted a report containing a preliminary proposal to the Department of Planning, Lands and Heritage (DPLH) for consideration and advice. Senior Officer level advice was provided to the City on a range of matters, including:

- a) Reserve / Zoning requirements.
- b) Environmental Values.
- c) Land Management.

8. **Reserve / Zoning requirements**

Lot 300 (No. 120) Dawson Avenue, Forrestfield (Pioneer Park) is reserved under the Metropolitan Region Scheme (MRS) as Parks and Recreation. The DPLH has advised that an amendment to the MRS will likely be required to facilitate the consideration of the proposed use as a Solar Farm. It has been suggested that a Public Purposes – Special Use reservation under the MRS would be suitable for the intended use.

As the Solar Farm Project is refined, further engagement is required with the DPLH to discuss the detailed MRS amendment considerations.

9. **Environmental Values**

Pioneer Park is identified as Bush Forever Area 440, containing Banksia Woodlands Threatened Ecological Community. Protections exist under the Federal *Environmental Protection and Biodiversity Conservation Act* and the State *Biodiversity Conservation Act*. Further detailed planning is required to demonstrate an improved environmental outcome for regionally significant bushland. This is required to consider the extent of clearing, revegetation, rehabilitation, ongoing maintenance, bushfire mitigation, and fulfilling State Planning Policy requirements. It is noted that the proposed Solar Farm would occupy land that is significantly degraded and cleared already.

10. **Land Management**

Given Pioneer Park is Crown land and the Solar Farm would not be consistent with the Reserve Purpose of 'Recreation, Parkland and Temporary Refuse Disposal Site', the DPLH would need to sign an application form for Development Approval.

11. DPLH has advised that further investigation is required to identify the form of tenure required, including a potential Crown lease to support sub-leasing arrangement to a potential future third party, subject to the Minister's consent.

12. Advice from DPLH has been provided on a preliminary basis to support the City's Project Planning, and any formal proposal for an MRS Amendment, or a Development Application, would require formal consideration by the WAPC.

13. In relation to 2c): Complete the studies to resolve the status of the contaminated site or otherwise for Pioneer Park

In June 2021, the Council reported noted:

The City is continuing investigations into the necessary remediation or other treatment of Pioneer Park (and Brand Road tip site) in terms of contaminated sites.

14. Since this time, further detailed technical assessments on the site have continued. The key site constraints include:

- a) Presence of unstable/unsuitable landfill waste material.
- b) Presence of landfill gas and landfill gas infrastructure.
- c) Potential presence of soil contamination and asbestos material.
- d) Potential presence of groundwater contamination.

- e) Insufficient/ineffective landfill cover (capping) thickness.
- f) Located within bushfire prone area.

This work will continue through 2024/2025 to submit an application to the Department of Water and Environmental Regulation (DWER) for the reclassification of the contaminated site for its proposed use.

15. In relation to 2d)

Seek Expressions of Interest from the market into the potential for development of the site at Pioneer Park for a solar farm.

In June 2021, the Council reported noted: *it is proposed that the project continues to the Expression of Interest phase.*

16. In December of 2021 the City sought an Expression of Interest (EOI) from the market from companies interested in undertaking a partnership with the City to develop a Solar Farm of 1MW to 5MW capacity (with further expansion depending on land constraints) to be located within the land known as Pioneer Park, Dawson Avenue, Forrestfield.
17. EOI 2021-01 was advertised and closed at the end of 2021. The evaluation was undertaken in early 2022. The outcome of the EOI was that there was sufficient interest in creating industry partnerships from the market, and confidence in the market ability to respond should a Request for Tender (RFT) be issued.
18. The issuing of a RFT would indicate a notional commitment by the City to the market that this project would proceed. Uncertainty around the use of Pioneer Park for this purpose from a Planning approval resulted in the RFT process being suspended. This has been reported to Council via their Councillor Information Bulletins and Corporate Business Plan updates.
19. Currently within the City's adopted 2023/24 budget, no budgetary amount has been allocated to progress this item. The item remains a strategic priority for Council, with "Renewable Energy: Develop a plan for replacement of fossil fuel electricity supply in favour of renewable energy supply for City facilities" listed as a Corporate Business Plan Action for completion between 2024/25-2026/27. The progress of this current action is largely dependent on the progress of the Solar Farm Project.
20. A Solar Farm is one option for consideration at Pioneer Park. Given the size of Pioneer Park, there is a potential for multiple complementary uses. For example, Pioneer Park has areas of environmental and conservation value which is required to be investigated further. It important to consider the long-term strategic outcomes having regard to the City's recently adopted Urban Forest Strategy (UFS) and Local Biodiversity Strategy (LBS).

The City must consider long term use and management of these environmental assets as part of the Solar Farm Project and any other land use proposal. A use which would complement the City's long term environmental initiatives could be attracting environmental offsets by third parties.

21. The City's Climate Change Action Plan (CCAP) purpose is to ensure that the City is prepared and ready to adapt to the climate challenges that lie ahead. The CCAP key focus areas of Carbon Footprint, Sustainable Development and Resilience under Changing Climate Patterns will all be integrated into the Future Use of Contaminated Sites Strategy.
22. It should be noted that there are means available to progress towards carbon neutrality (including on site Solar & Battery power plants at buildings) which may be more cost effective than a large scale Solar Farm. This needs to be further tested and explored.
23. In order to progress the Solar Farm Project on Pioneer Park, the City must consider a strategic approach to its various contaminated sites and the sustainability of their proposed future use. It is recommended that the following steps are undertaken to progress this item:
 - a) A Detailed Site Investigation (DSI) is required over a timeframe specified by the regulator's to determine the suitability of proposed use and remediation required.
 - b) The City must consider its position on the Future Use of Contaminated Sites (City Wide) in an integrated strategy to explore renewable energy land use initiatives, environmental, heritage conservation and other potential usages.
 - c) Develop a Business Case, informed by a Future Use of Contaminated Sites Strategy on individual site use.
 - d) That Officers review the Corporate Business Plan Action "Renewable Energy: Develop a plan for replacement of fossil fuel electricity supply in favour of renewable energy supply for City facilities" for the 2024/25 for Council's consideration.

APPLICABLE LAW

24. *Local Government Act 1995*
Planning and Development Act 2005
Contaminated Sites Act 2003

APPLICABLE POLICY

25. Governance 8: Risk Management

STAKEHOLDER ENGAGEMENT

- 26. As per the OCM report presented June 2021, a community engagement plan regarding the concept of a solar farm at Pioneer Park has been previously completed. Further engagement on the Future Use of Contaminated Sites (City Wide) is anticipated to be undertaken in due course.
- 27. Planning considerations within this report have been in consultation with DPLH.
- 28. Contaminated site considerations within this report have been in consultation with DWER and Department of Health (DoH).

FINANCIAL CONSIDERATIONS

- 29. An operational budget amount to progress a Future Use of Contaminated Sites (City Wide) in an integrated strategy will be included in the draft 2024/25 Budget for Council consideration.
- 30. Progression of Contaminated Sites investigation works is funded through the Waste Avoidance and Resource Recovery (WARR) fund.

SUSTAINABILITY

- 31. This report is integrated with the actions of multiple City strategic documents, including the CCAP, UFS and LBS. It is critical all sustainability initiatives are considered in the Future Use of Contaminated Sites (City Wide) integrated strategy.

RISK MANAGEMENT

| | | | |
|-----|--|-------------------|---------------|
| 32. | Risk: External agencies (DWER and DoH) may not approve reclassification of the site. | | |
| | Consequence | Likelihood | Rating |
| | Moderate | Possible | Medium |
| | Action/Strategy | | |
| | Ensure the City works closely with the contaminated sites Auditor and all recommended works are carried out by approved, specialist consultants. | | |

33.

| | | |
|---|-------------------|---------------|
| Risk: The current skill shortages and specialised contractors carrying out investigation works may impact the delivery timeframe of informing reports. | | |
| Consequence | Likelihood | Rating |
| Significant | Likely | High |
| Action/Strategy | | |
| Establish a panel of suitably qualified contractors and ensure works are scheduled in advance. | | |

CONCLUSION

34. It is recommended that Council note the next steps in the Solar Farm Project for a future report.

Voting Requirements: Simple Majority

RESOLVED OCM 11/2024

That Council NOTE:

1. Detailed site investigations at Pioneer Park will continue to determine remediation measures and design considerations based on proposed future land use.
2. An operational budget amount to progress a Future Use of Contaminated Sites (City Wide) in an integrated future strategy financial year will be included in the draft 2024/25 Budget for Council consideration.
3. A review of the Corporate Business Plan Action “Renewable Energy: Develop a plan for replacement of fossil fuel electricity supply in favour of renewable energy supply for City facilities” will be undertaken in 2024/25 for Council consideration.

Moved: **Cr Geoff Stallard**

Seconded: **Cr Lisa Cooper**

Vote: For: **Mayor Margaret Thomas, Cr Dylan O'Connor, Cr John Giardina, Cr Geoff Stallard, Cr Mary Cannon, Cr Brooke O'Donnell, Cr Lisa Cooper, Cr Kathy Ritchie and Cr David Modolo**

Against: **Nil**

CARRIED UNANIMOUSLY (9/0)

10.3. Corporate Services Reports

10.3.1. Corporate Business Plan - Quarterly Update - October to December 2023


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

Previous
Items

| | |
|----------------|-----------------------------|
| Directorate | Corporate Services |
| Business Unit | Director Corporate Services |
| File Reference | 3.009509 |
| Applicant | City of Kalamunda |
| Owner | City of Kalamunda |

| | |
|-------------|--|
| Attachments | 1. Quarterly Corporate Plan Report October-December 2023 [10.3.1.1 - 62 pages] |
|-------------|--|

TYPE OF REPORT

| | |
|---|--|
| Advocacy | When Council is advocating on behalf of the community to another level of government/body/agency |
| Executive | When Council is undertaking its substantive role of direction setting and oversight (eg accepting tenders, adopting plans and budgets) |
|  Information | For Council to note |
| Legislative | Includes adopting Local Laws, Town Planning Schemes and Policies. When Council determines a matter that directly impacts a person's rights and interests where the principles of natural justice apply. Examples include town planning applications, building licences, other permits or licences issued under other Legislation or matters that could be subject to appeal to the State Administrative Tribunal |

STRATEGIC PLANNING ALIGNMENT

Kalamunda Advancing Strategic Community Plan to 2031

Priority 4: Kalamunda Leads

Objective 4.1 - To provide leadership through transparent governance.

Strategy 4.1.1 - Provide good governance.

EXECUTIVE SUMMARY

1. The purpose of this report is to provide Council with the progress on the City of Kalamunda's (City) achievement against "Kalamunda Achieving: Corporate Business Plan 2023-2027" for the period October to December 2023.
2. On average, actions from the Corporate Business Plan are 53.7% complete at the end of the second quarter, 31 December 2023.
3. It is recommended that Council notes the quarterly report for the Corporate Business Plan for the period October to December 2023.

BACKGROUND

4. Kalamunda Achieving: Corporate Business Plan 2023-2027 (CBP) was endorsed by Council at the Special Council Meeting on 26 June 2023.
5. The CBP outlines the major projects, including capital works and operational recurrent services for the City. It then links those projects and services to the Asset Plans, Long Term Financial Plan and Workforce Plan.
6. The CBP is a component of the City of Kalamunda's integrated planning and reporting framework.
7. The Chief Executive Officer, Directors and Managers have individual performance objectives directly linked to their achievement of the CBP in 2023/24.

DETAILS AND ANALYSIS

8. The CBP is comprised of 4 Strategic Priority areas, being:
 1. Kalamunda Cares and Interacts
 2. Kalamunda Clean and Green
 3. Kalamunda Develops
 4. Kalamunda Leads
9. There are 132 individual actions set out within the CBP for the 2023/24 year. Progress reporting is provided as Attachment 1 to this report.
10. The report reflects the management progress report against the work schedule for each of the individual actions, as at 31 December 2023.

11. Most of the actions contained in the CBP are spread evenly across the year, so have a completion target at the end of the second quarter of 50%. However, some actions may start later or finish earlier in the year, so their target at 31 December might not be 50%.
12. The CBP actions are on average 53.7% complete. The average target at the end of the second quarter is 48.1%, indicating that progress, on average, is ahead of schedule.
13. Achievement of target is measured by comparing the target completion % to the actual completion %. For example, if the target is 25%, but the action is actually 50% complete, this represents an achievement of 200%. The average achievement of target across the actions is 106.3%, again indicating that progress is ahead of schedule.

APPLICABLE LAW

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

APPLICABLE POLICY

16. Nil.

STAKEHOLDER ENGAGEMENT

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

FINANCIAL CONSIDERATIONS

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

SUSTAINABILITY

20. Nil.

RISK MANAGEMENT

21.

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

CONCLUSION

22. The City is working to carry out the actions listed in the Corporate Business Plan. On average, actions from the Corporate Business Plan are 53.7% complete at the end of the second quarter of 2023/2024.

Voting Requirements: Simple Majority

RESOLVED OCM 12/2024

That Council NOTE the quarterly report for the Kalamunda Achieving: Corporate Business Plan 2023-2027 for the period October to December 2023.

Moved: **Cr Dylan O'Connor**

Seconded: **Cr Lisa Cooper**

Vote: For: **Mayor Margaret Thomas, Cr Dylan O'Connor, Cr John Giardina, Cr Geoff Stallard, Cr Mary Cannon, Cr Brooke O'Donnell, Cr Lisa Cooper, Cr Kathy Ritchie and Cr David Modolo**

Against: **Nil**

CARRIED UNANIMOUSLY (9/0)

10.4. Community Engagement Reports

No reports presented.

10.5. Office of the CEO Reports


10.5.1. CONFIDENTIAL - Removal of Personal Information from Published Documents - Special Council Meeting 20 April 2015

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

Previous Items
Directorate Office of the CEO
Business Unit Governance
File Reference 3.009297
Applicant
Owner

Attachments Nil

TYPE OF REPORT

| | |
|---|--|
| Advocacy | When Council is advocating on behalf of the community to another level of government/body/agency |
|  Executive | When Council is undertaking its substantive role of direction setting and oversight (eg accepting tenders, adopting plans and budgets) |
| Information | For Council to note |
| Legislative | Includes adopting Local Laws, Town Planning Schemes and Policies. When Council determines a matter that directly impacts a person's rights and interests where the principles of natural justice apply. Examples include town planning applications, building licences, other permits or licences issued under other Legislation or matters that could be subject to appeal to the State Administrative Tribunal |

RESOLVED OCM 17/2024

That Council AUTHORISE the Chief Executive Officer to remove the name and address of the resident identified in this report, from Attachment 2 of the report to Council associated with Item SCM 02. of the minutes of the 20 April 2015 Special Council Meeting and replace those details with *Name and Address withheld*.

Moved: **Cr John Giardina**

Seconded: **Cr Geoff Stallard**

Vote: For: **Mayor Margaret Thomas, Cr Dylan O'Connor, Cr John Giardina, Cr Geoff Stallard, Cr Mary Cannon, Cr Brooke O'Donnell, Cr Lisa Cooper, Cr Kathy Ritchie and Cr David Modolo**

Against: **Nil**

CARRIED UNANIMOUSLY (9/0)

10.6. Chief Executive Officer Reports


10.6.1. Monthly Financial Statements to 31 January 2024

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

| | |
|----------------|--------------------|
| Previous Items | N/A |
| Directorate | Corporate Services |
| Business Unit | Financial Services |
| File Reference | FIR-SRR-006 |
| Applicant | N/A |
| Owner | N/A |

| | |
|-------------|--|
| Attachments | 1. Statement of Financial Activity for the period ended 30 November 2023 [10.6.1.1 - 1 page] |
| | 2. Statement of Financial Activity for the period ended 31 December 2023 [10.6.1.2 - 1 page] |
| | 3. Statement of Financial Activity for the period ended 31 January 2024 [10.6.1.3 - 1 page] |
| | 4. Statement of Net Current Funding Position as at 30 November 2023 [10.6.1.4 - 1 page] |
| | 5. Statement of Net Current Funding Position as at 31 December 2023 [10.6.1.5 - 1 page] |
| | 6. Statement of Net Current Funding Position as at 31 January 2024 [10.6.1.6 - 1 page] |

TYPE OF REPORT

| | |
|---|---|
| Advocacy | When Council is advocating on behalf of the community to another level of government/body/agency |
| Executive | When Council is undertaking its substantive role of direction setting and oversight (e.g. accepting tenders, adopting plans and budgets) |
| Information | For Council to note |
|  Legislative | Includes adopting Local Laws, Town Planning Schemes, and Policies. When the Council determines a matter that directly impacts a person's rights and interests where the principles of natural justice apply. Examples include town planning applications, building licenses, other permits or licenses issued under other Legislation or matters that could be subject to appeal to the State Administrative Tribunal |

STRATEGIC PLANNING ALIGNMENT

Kalamunda Advancing Strategic Community Plan to 2031

Priority 4: Kalamunda Leads

Objective 4.1 - To provide leadership through transparent governance.

Strategy 4.1.1 - Provide good governance.

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

EXECUTIVE SUMMARY

1. The purpose of this report is to provide Council with the Statutory Financial Statements for the months ended 30 November 2023 - 31 January 2024. The financial commentary is based on the latest month, 31 January 2024 which captures movements of the preceding months.
2. The Statutory Financial Statements report on the activity of the City of Kalamunda (City) with the comparison of the period's performance against the original budget adopted by the Council on 26 June 2023 for the 2023/2024 financial year and minor amendments subsequently to the reporting date.
3. All significant variances excluding internal overhead allocations will be considered and adjusted in the Mid-Year Review which is currently underway and addressed in a separate Council report.
4. It is recommended that Council receives the draft Monthly Statutory Financial Statements for the months covering November 2023 to January 2024, which comprise:
 - a) Statements of Financial Activity (Nature or Type) for the period ended 30 November 2023 to 31 January 2024.
 - b) Net Current Funding Positions, note to financial report as of 30 November 2023 to 31 January 2024.

BACKGROUND

5. The Statement of Financial Activity (Attachment 1), incorporating various sub-statements, has been prepared in accordance with the requirements of the *Local Government Act 1995 (Act)* and Regulation 34 of the *Local Government (Financial Management) Regulations 1996*.

DETAILS AND ANALYSIS

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

FINANCIAL COMMENTARY

Draft Statement of Financial Activity by Nature and Type for the seven months ended 31 January 2024

7. This Statement reveals a net result surplus of \$36,884,028 compared to the budget for the same period of \$19,443,649, resulting in a variance of \$17,440,381. This is largely due to a higher opening surplus position from the audited financials of 2022/23 of \$8,510,016 and a \$2,473,663 lower spend in operating activities.

Operating Revenue

8. Total Revenue including rates is slightly over budget by \$34,172. This is made up as follows:
- a) Rates generation is over budget with a variance of \$292,554 due to higher than expected interim rates.
 - b) Operating Grants, Subsidies and Contributions are below budget by \$1,885,779. The variance is attributable to the timing of operating grants of \$2,003,013 not yet received as budgeted.
 - c) Fees and Charges are over budget by \$659,657. The variance is attributable to;
 - i. Waste charges being higher than the budget by \$166,285.
 - ii. Statutory Planning Services Fees higher than budget by \$116,437.
 - iii. Building services application fees are up by \$100,446
 - d) Interest income is over budget by \$928,722. The variance is mainly due to the higher interest income received from investments partially assisted by lower capital expenditure allowing for additional investments.
 - e) Other Revenue is tracking well, and the variance is below the reporting threshold.

Operating Expenditure

9. Total expenditure is under budget by \$4,149,164. The significant variances within the individual categories are as follows:
- a) Employment Costs are under budget by \$1,246,835 which is primarily due to vacant positions and the aggregate result of minor variances in several business units.

- b) Materials and Contracts are under budget by \$1,116,167. The variance is mainly due to the timing of building maintenance costs and infrastructure maintenance costs.
- c) Utilities are under budget by \$488,598, the variance is contributed by \$364,958 under spent on Street Lighting.
- d) Depreciation, although a non-cash cost, is tracking over budget by \$6,622,827 due to increases in book value of infrastructure assets consequent to the recent revaluation.
- e) Interest expense is tracking below the reportable variance threshold whereas Insurance expenses are over budget due to advance payment of insurance premiums.
- f) Other expenditure is over budget by \$301,398. The variance is mainly due to \$346,720 Land Acquisition Cost paid for a Forrestfield Industrial Area Scheme Project that will be reimbursed from the Forrestfield Industrial Area Scheme reserve account.

Investing Activities

Non-operating Grants and Contributions

- 10. The non-operating grants and contributions is under budget by \$1,814,800 due to delayed receipt of grants for capital works projects.

Capital Expenditure

- 11. The total Capital Expenditure on Property, Plant, Equipment, and Infrastructure Assets (excluding Capital Work in Progress) is under budget by \$5,937,957. The project delivery is being reviewed as part of the mid-year review.
- 12. Capital works-in-progress expenditure of \$942,273 represents the costs expended on Forrestfield Industrial Area Scheme Stage 1 and CELL 9 Wattle Grove development. The Forrestfield Industrial Area Scheme Stage 1 reserve account and the CELL 9 trust account fund the relevant expenditure. These assets once constructed will be passed over to the City for management.

Financing Activities

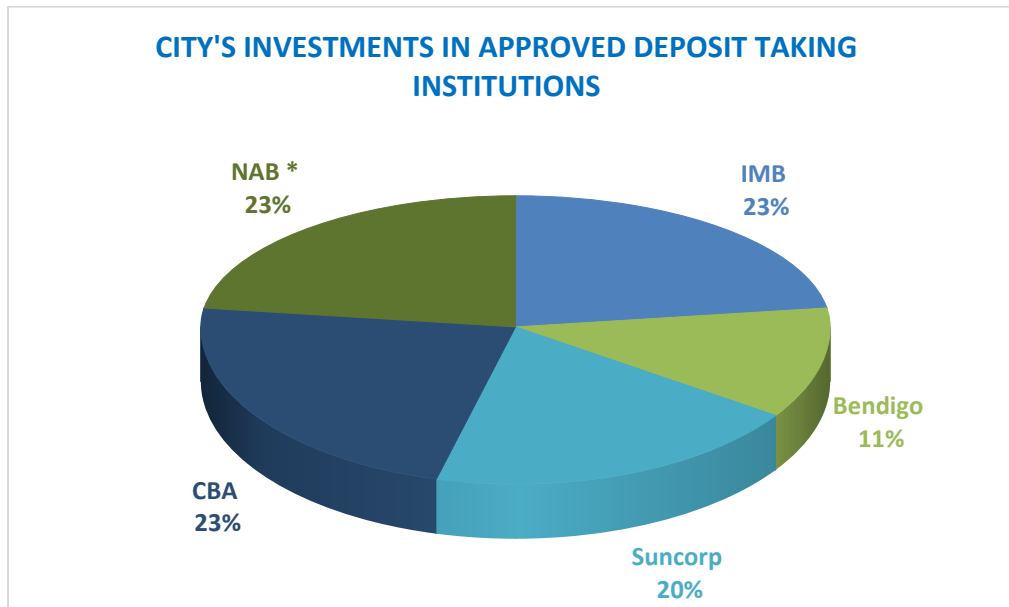
- 13. The amounts attributable to financing activities show a variance of \$3,693,128 which is mainly due to the developer contributions and year-end lease adjustment entries.

Rates Revenues

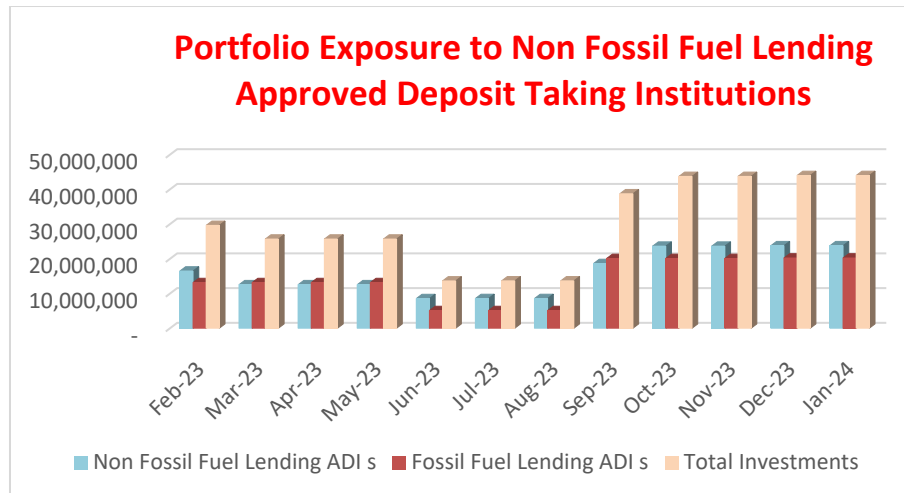
14. As stated above, the Rates generation is over budget with a variance of \$292,554 mainly due to higher than expected interim Rates.

Statement of Net Current Funding Position as of 31 January 2024

15. The commentary on the net current funding position is based on a comparison of January 2024 to the January 2023 actuals.
16. Net Current Assets (Current Assets less Current Liabilities) total \$44.3 million. The restricted cash position is \$24.4 million which is slightly lower than the previous year's balance of \$24.5 million.
17. The following graph indicates the financial institutions where the City has investments as of 31 January 2024;



18. *Financial Institutions with Investments in the Fossil Fuel Industry



19. Trade and other receivables outstanding comprise rates and sundry debtors totalling \$7.8 million.
20. Sundry debtors have decreased from \$512,770 to \$149,181 of which \$93,428 consist of current debt due within 30 days. Details are contained in the Debtors and Creditors Report to Council.
21. Receivables Other represent \$2.8 million including:
 - a) Emergency Service Levy receivables \$1.2 million.
 - b) Receivables sanitation \$0.8 million.
22. Provisions for annual and long service leave have decreased by \$254,454 million to \$4.2 million when compared to the previous year.

APPLICABLE LAW

23. *The Local Government Act 1995 and the Local Government (Financial Management) Regulations 1996.*

APPLICABLE POLICY

24. Nil.

STAKEHOLDER ENGAGEMENT

Internal Referrals

25. The City’s executive and management monitor and review the underlying business unit reports which form the consolidated results presented in this report.

External Referrals

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

FINANCIAL CONSIDERATIONS

27. The City’s financial position continues to be closely monitored to ensure it is operating sustainably and to allow for future capacity. As noted above, significant variances will be reviewed and adjusted as part of the mid-year review conducted in January 2024 and the results subject to a separate paper to Council.

SUSTAINABILITY

Social Implications

28. Nil.

Economic Implications

29. Nil.

Environmental Implications

30. Nil.

RISK MANAGEMENT

| | | | |
|-----|---|-------------------|---------------|
| 31. | Risk: Over-spending the budget. | | |
| | Consequence | Likelihood | Rating |
| | Moderate | Possible | Medium |
| | Action/Strategy | | |
| | Monthly management reports are reviewed by the City and Council. Procurement compliance is centrally controlled via the Finance Department. | | |

32.

| Risk: Non-compliance with Financial Regulations | | |
|--|-------------------|---------------|
| Consequence | Likelihood | Rating |
| Moderate | Unlikely | Low |
| Action / Strategy | | |
| The financial report is scrutinised by the City to ensure that all statutory requirements are met. Internal Audit reviews to ensure compliance with Financial Regulations. External Audit confirms compliance. | | |

CONCLUSION

33. The City’s Financial Statements as at 31 January 2024 reflect the un-audited surplus carried forward from 2022/2023.

Voting Requirements: Simple Majority

RESOLVED OCM 13/2024

That Council RECEIVE the Monthly Statutory Financial Statements for the periods ended 30 November 2023 to 31 January 2024 which comprises:

- a) Statement of Financial Activity (Nature or Type) for period ended 30 November 2023 to 31 January 2024 (Attachment 1-3); and
- b) Net Current Funding Position, note to financial report as of 30 November 2023 to 31 January 2024 (Attachment 4-6).

Moved: **Cr David Modolo**

Seconded: **Cr John Giardina**

Vote: For: **Mayor Margaret Thomas, Cr Dylan O'Connor, Cr John Giardina, Cr Geoff Stallard, Cr Mary Cannon, Cr Brooke O'Donnell, Cr Lisa Cooper, Cr Kathy Ritchie and Cr David Modolo**

Against: **Nil**


CARRIED UNANIMOUSLY (9/0)

10.6.2. Debtors and Creditors Reports for the period 1 November 2023 to 31 January 2024

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

| | |
|----------------|---|
| Previous Items | N/A |
| Directorate | Corporate Services |
| Business Unit | Financial Services |
| File Reference | FI-CRS-002 |
| Applicant | N/A |
| Owner | N/A |
| Attachments | <ol style="list-style-type: none">1. Creditor Payments for the Period ended 30 November 2023 [10.6.2.1 - 37 pages]2. Creditor Payments for the Period ended 31 December 2023 [10.6.2.2 - 34 pages]3. Creditor Payments for the Period ended 31 January 2024 [10.6.2.3 - 36 pages]4. Corporate Credit Cards Payments 27 September to 25 October 2023 [10.6.2.4 - 3 pages]5. Corporate Credit Cards Payments 26 October to 24 November 2023 [10.6.2.5 - 3 pages]6. Corporate Credit Card Payments 27 November to 22 December 2023 [10.6.2.6 - 3 pages]7. Summary of Creditors for month of November 2023 [10.6.2.7 - 1 page]8. Summary of Debtors for the month of November 2023 [10.6.2.8 - 2 pages]9. Summary of Creditors for month of December 2023 [10.6.2.9 - 1 page]10. Summary of Creditors for month of January 2024 [10.6.2.10 - 1 page]11. Summary of Debtors for the month of December 2023 [10.6.2.11 - 1 page]12. Summary of Debtors for the month of January 2024 [10.6.2.12 - 2 pages] |

TYPE OF REPORT

| | |
|---|--|
| Advocacy | When Council is advocating on behalf of the community to another level of government/body/agency |
| Executive | When Council is undertaking its substantive role of direction setting and oversight (e.g., accepting tenders, adopting plans and budgets) |
| Information | For Council to note |
|  Legislative | Includes adopting Local Laws, Town Planning Schemes, and Policies. When Council determines a matter that directly impacts a person's rights and interests where the principles of natural justice apply. Examples include town planning applications, building licenses, other permits or licenses issued under other Legislation, or matters that could be subject to appeal to the State Administrative Tribunal |

STRATEGIC PLANNING ALIGNMENT

Kalamunda Advancing Strategic Community Plan to 2031

Priority 4: Kalamunda Leads

Objective 4.1 - To provide leadership through transparent governance.

Strategy 4.1.1 - Provide good governance.

EXECUTIVE SUMMARY

1. The purpose of this report is to provide Council with:
 - a) the list of payments made from Municipal and Trust Fund Accounts for the months of November 2023 to January 2024:
 - b) the list of payments made by employees via purchasing cards for the period covering 27 September 2023 to 22 December 2023, in accordance with the requirements of the *Local Government (Financial Management) Regulations 1996* (Regulation 13 & 13A.
 - c) the outstanding debtors and creditors reports, for the months of November 2023 to February 2024.
2. The Debtors and Creditors report provides Council with details of payments made from Municipal and Trust accounts together with outstanding debtors and creditors for the period November 2023 to January 2024.
3. The report commentary is based on the month of January 2024.
4. It is recommended that Council:
 - a) Receive the list of payments made from the Municipal and Trust Fund Accounts for the months of November 2023 to January 2024.
 - b) Receive the list of payments made by employees via purchasing cards for the months of November 2023 to January 2024 in accordance with the

requirements of the *Local Government (Financial Management) Regulations 1996* (Regulation 13 & 13A); and

- c) Receive the outstanding debtors and creditors report for the months of November 2023 to January 2024.

BACKGROUND

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

The analysis provided within this report relates to transactions pertaining to the January period.

DETAILS AND ANALYSIS

Debtors

8. Sundry debtors as of 31 January 2024 were \$149,181. This includes \$94,071 of current debts and \$644 unallocated credits (excess or overpayments).
9. Invoices over 30 days total \$17,976, no debts of significance.
10. Invoices over 60 days total \$18,185, debts of significance:
 - a) Forrestfield United Football Club, \$10,923, Utilities – Paid 01/02/24; and
 - b) Forrestfield United Football Club, \$6,076, Loan repayment.
11. Invoices over 90 days total \$19,592 debts of significance:
 - a) Private Citizen, \$9,281 Fire Break – Reimbursement – payment plan agreed with the City's collection agency;

- b) Private Citizen, \$4,070 Fire Break – Reimbursement – caveat placed on property;
- c) Private Citizen, \$2,126 Bond admin & Maintenance Fees; and
- d) Mardon Gardens* \$1,050 Health Services Fee.

* Denotes currently in negotiation of invoice amount and / or details.

Creditors

- 12. Payments totalling \$4,698,201 (excluding payroll) were made during the month of January 2024. Standard payment terms are 30 days from the end of the month, with local businesses and contractors on 14-day terms.
- 13. Significant Municipal payments (GST inclusive – where applicable) made in the month were:

| Supplier | Purpose | \$ |
|---|--|------------|
| Cleanaway | Waste / recycling & bulk bin disposal services fees | 720,631.22 |
| Australian Taxation Office | PAYG payments | 634,540.00 |
| LGIS WA | Workers compensation insurance - period 30/06/22 To 30/06/23 & workers compensation - endorsement | 370,217.10 |
| Aware Super Pty Ltd | Superannuation contributions | 283,999.01 |
| City Of Cockburn | Disposal of general waste from the weekly residential waste collection | 216,608.46 |
| Western Australian Electoral Commission | 2023 Local government election | 207453.07 |
| Western Australian Treasury Corporation | Government guarantee fee Invoice - December 2023 & Repayment of loan No. 221 fixed component | 123,487.69 |
| State Wide Turf Services | Turf supplies / maintenance at Hartfield Park | 116,905.25 |
| Advanteering Civil Engineers | Stirk Park variation - Progress Claim 9 for work completed in November at Stirk Park Playground and Skate Park | 104,635.88 |
| Officer of the Auditor General WA (OAG) | Audit fee for the 2022-2023 Statutory Audit | 102,300.00 |
| OCE Corporate Pty Ltd - Office Cleaning Experts | Cleaning services / consumables for various locations | 81,644.61 |
| Contraflow | Traffic management for various locations | 73,763.01 |
| Dowsing Group Pty Ltd | Supply & lay concrete pathways, maintenance & misc. works at various locations | 69,664.04 |
| Belgravia Health & Leisure Group Pty Ltd | Progress payment for Kalamunda Water Park - Works Including Pool | 63,297.30 |

| | | |
|--|---|-----------|
| | Painting of 50M Pool, expansion joints and minor tiling repairs | |
| Synergy | Power charges | 58,537.72 |
| Exteria Street & Park Outfitters | Supply & delivery of Skillion Park Shelter at Woodlupine Wattle Grove | 57,321.00 |
| Kalamunda Electrics | Electrical repairs / maintenance for various locations | 57,127.81 |
| Resource Recovery Group (Southern Metropolitan Regional Council) | Waste & recycling disposal services fees | 51,771.61 |

These payments total \$3,393,905 and represent 72% of all payments for the month.

Payroll

14. Salaries are paid in fortnightly cycles. A total of \$1,921,921.39 was paid in net salaries for the month of January 2024.
15. Details are provided in Attachment 3 after the creditors' payment listing.

Trust Account Payments

16. The Trust Accounts maintained by the City of Kalamunda (City) relate to the following types:
 - a) CELL 9 Trust;
 - b) Public Open Space funds,
 - c) NBN Tower Pickering Brook Trust
17. There are following payments made from Cell 9 Trust Accounts in January 2024.

| Supplier | Purpose | \$ |
|---------------------------------|--|-------------|
| Exteria Street and Park Fitters | Woodlupine Wattle Grove - Skillion Park Shelter | \$52,110.00 |
| Natural Area Holdings Pty Ltd | Progress payment 7 - Woodlupine Wattle Grove Living Stream Upgrade | \$2,450.00 |

APPLICABLE LAW

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

APPLICABLE POLICY

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

STAKEHOLDER ENGAGEMENT

Internal Referrals

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

External Referrals

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

FINANCIAL CONSIDERATIONS

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

SUSTAINABILITY

- 25. Nil.

RISK MANAGEMENT

Debtors

- 26.

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

Creditors

| | | | |
|-----|---|-------------------|---------------|
| 27. | Risk: Adverse credit ratings due to the City defaulting on the creditor. | | |
| | Consequence | Likelihood | Rating |
| | Insignificant | Possible | Low |
| | Action/Strategy | | |
| | Ensure all disputes are resolved in a timely manner. | | |

CONCLUSION

28. Creditor payments are within the normal trend range.

| |
|---|
| Voting Requirements: Simple Majority |
|---|

RESOLVED OCM 14/2024

That Council:

1. RECEIVE the list of payments made from the Municipal Accounts from November 2023 to January 2024 (Attachment 1-3) in accordance with the requirements of the *Local Government (Financial Management) Regulations 1996* (Regulation 13).
2. RECEIVE the list of payments made from 27 September 2023 to 22 December 2023 using Corporate Purchasing Cards (Attachment 4-6).
3. RECEIVE the outstanding debtors and creditors reports (Attachments 7-12) for the months of November 2023 to January 2024.

Moved: **Cr Dylan O'Connor**

Seconded: **Cr Geoff Stallard**

Vote: For: **Mayor Margaret Thomas, Cr Dylan O'Connor, Cr John Giardina, Cr Geoff Stallard, Cr Mary Cannon, Cr Brooke O'Donnell, Cr Lisa Cooper, Cr Kathy Ritchie and Cr David Modolo**

Against: **Nil**


CARRIED UNANIMOUSLY (9/0)

10.6.3. Rates Debtors Report for the Period Ended 31 January 2024

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

| | |
|----------------|---|
| Previous Items | N/A |
| Directorate | Corporate Services |
| Business Unit | Financial Services |
| File Reference | FI-DRS-004 |
| Applicant | N/A |
| Owner | N/A |
| Attachments | <ol style="list-style-type: none"> 1. Rates Report November 2023 [10.6.3.1 - 1 page] 2. Rates Report December 2023 [10.6.3.2 - 1 page] 3. Rates Report January 2024 [10.6.3.3 - 1 page] |

TYPE OF REPORT

| | |
|---|--|
| Advocacy | When Council is advocating on behalf of the community to another level of government/body/agency |
|  Executive | When Council is undertaking its substantive role of direction setting and oversight (e.g. accepting tenders, adopting plans and budgets) |
| Information | For Council to note |
| Legislative | Includes adopting Local Laws, Town Planning Schemes and Policies. When Council determines a matter that directly impacts a person's rights and interests where the principles of natural justice apply. Examples include town planning applications, building licences, other permits or licences issued under other Legislation or matters that could be subject to appeal to the State Administrative Tribunal |

STRATEGIC PLANNING ALIGNMENT

Kalamunda Advancing Strategic Community Plan to 2031

Priority 4: Kalamunda Leads

Objective 4.1 - To provide leadership through transparent governance.

Strategy 4.1.1 - Provide good governance.

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

EXECUTIVE SUMMARY

1. The purpose of this report is to provide Council with information on the rates collection percentage and the status of rates recovery actions.

2. The City of Kalamunda (City) levied rates for 2023/2024 on 1 July 2023 totalling \$43,709,067, with prior year outstanding rates of \$2,363,869 and interim rates of \$302,886 total rates collectable at 31 January 2024 is \$46,375,821. Collections to date stand at \$45,327,097
3. It is recommended that Council receive the Rates Debtors Reports for the months of November 2023 to January 2024 (Attachments 1-3).

BACKGROUND

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

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

DETAILS AND ANALYSIS

5. A total of 24,219 notices were issued on 14 July 2023. This consisted of 20,710 mailed rates notices, and 3,509 of eRates notices (14% take-up saving more than \$5,000 in postage and printing).
6. As of 31 January 2024, rates Levied and collectable for the 2023/2024 Financial Year, (including interim rates of \$302,886) currently total \$46,375,821, with collections standing at \$45,327, This represents a collection rate of 83.51%.
7. A total of 8,612 ratepayers have taken up an instalment option (option 2 & 3 represented in the table below). This is an increase from 2022/2023 where 8,130 chose an instalment option. The first instalment due date was 18 August 2023. A total of 1,045 ratepayers have chosen to pay via direct debit, a significant increase from 350 in 2022/2023. Refer to the table below:

| Option | Description | Number |
|-------------------------|--|--------|
| Option 2 on Rate Notice | Two instalments | 1,732 |
| Option 3 on Rate Notice | Four instalments | 6,880 |
| A Smarter Way to Pay | Pay by Direct Debit over a mutually agreed period. | 941 |
| Direct Debit | Payment to be received by April 2024 | 104 |
| Total | Ratepayers on payment options | 9657 |

APPLICABLE LAW

8. The City collects its rates debts in accordance with the *Local Government Act 1995* Division 6 – Rates and Service Charges under the requirements of Subdivision 5 – Recovery of unpaid rates and service charges.

APPLICABLE POLICY

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

STAKEHOLDER ENGAGEMENT

Internal Referrals

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

External Referrals

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

FINANCIAL CONSIDERATIONS

12. The early raising of rates in July allows the City's operations to commence without delays improving cashflow, in addition to earning additional interest income.

SUSTAINABILITY

Social Implications

13. Debt collection can have implications upon those ratepayers facing financial hardship and the City must ensure equity in its debt collection policy and processes.
14. The City has "a smarter way to pay" direct debit option to help ease the financial hardship to its customers. This has proved very effective with a growing number of ratepayers taking advantage of this option. A "Smarter Way to Pay" allows ratepayers to pay smaller amounts on a continuous basis either weekly or fortnightly, helping to reduce their financial burden.

Economic Implications

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

Environmental Implications

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

RISK MANAGEMENT

17.

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

CONCLUSION

- 18. With a current collection rate for the financial year of 83.51% (compared to 84.12% last year), the City continues to effectively implement its rate collection strategy and recognises more ratepayers have chosen to pay their rates via instalments and direct debit options.

Voting Requirements: Simple Majority

RESOLVED OCM 15/2024

That Council RECEIVE the Rates Debtors Report for the Period covering 1 November to 31 January 2024 (Attachment 1-3).

Moved: **Cr David Modolo**

Seconded: **Cr Dylan O'Connor**

Vote: For: **Mayor Margaret Thomas, Cr Dylan O'Connor, Cr John Giardina, Cr Geoff Stallard, Cr Mary Cannon, Cr Brooke O'Donnell, Cr Lisa Cooper, Cr Kathy Ritchie and Cr David Modolo**

Against: **Nil**


CARRIED UNANIMOUSLY (9/0)

10.6.4. Budget Review for Six Months to December 2023

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

| | |
|----------------|---|
| Previous Items | N/A |
| Directorate | Corporate Services |
| Business Unit | Financial Services |
| File Reference | |
| Applicant | N/A |
| Owner | N/A |
| Attachments | <ol style="list-style-type: none"> 1. Mid Yr Review Financial Activity Statement 30 June 2024 [10.6.4.1 - 1 page] 2. Net Current Assets [10.6.4.2 - 1 page] 3. Reserve Reconciliation 2023 24 [10.6.4.3 - 1 page] |

TYPE OF REPORT

| | |
|---|--|
| Advocacy | When Council is advocating on behalf of the community to another level of government/body/agency |
|  Executive | When Council is undertaking is substantive role of direction setting and oversight (eg accepting tenders, adopting plans and budgets) |
| Information | For Council to note |
| Legislative | Includes adopting Local Laws, Town Planning Schemes and Policies. When Council determines a matter that directly impacts a person's rights and interests where the principles of natural justice apply. Examples include town planning applications, building licences, other permits or licences issued under other Legislation or matters that could be subject to appeal to the State Administrative Tribunal |

STRATEGIC PLANNING ALIGNMENT

Kalamunda Advancing Strategic Community Plan to 2031

Priority 4: Kalamunda Leads

Objective 4.1 - To provide leadership through transparent governance.

Strategy 4.1.1 - Provide good governance.

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

EXECUTIVE SUMMARY

1. The purpose of this report is for Council to consider and approve amendments to the 2023/2024 Adopted Budget as identified in the 2023/2024 Statutory Mid Term budget review.
2. It is recommended that Council:
 - a) Note the 2023/2024 Mid Term Budget Review Explanations in the body of the report.
 - b) Amend the 2023/2024 current budget to reflect the changes summarised in the Amended Financial Activity Statement and Net Current Asset Position (Attachment 1 & 2), pursuant to section 6.8 (1) (b) of the *Local Government Act 1995*.
 - c) Amend, Pursuant to Section 6.11 (2) (b) of the *Local Government Act 1995*, the transfers to and from reserves (Attachment 3).
 - d) Note the amended Capital Works listing (Confidential Attachment 4).

BACKGROUND

3. 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 January and 31 March.
4. In pursuit of improved fiscal management and accountability, the City of Kalamunda undertook the Mid Term Budget Review, which is the statutory review which was conducted covering the six months to 31 December 2023.
5. The City is closely monitoring through monthly management reporting of its revenue and expenditure to mitigate the risk of the City posting a deficit at the end of this financial year.

DETAILS AND ANALYSIS

Closing Surplus position (Attachment 1)

6.

| Summary of Movements from the Amended Financial Activity Statement | | | |
|---|---------------------------|-----------------------------------|--------------------|
| Description | Original Budget \$ | Proposed Revised Budget \$ | Variance \$ |
| Opening Surplus Position | 465,151 | 8,975,167 | 8,510,016 |
| Operating Revenue Including Rates | 65,181,871 | 67,579,799 | 2,397,928 |
| Operating Expenditure | (69,127,734) | (69,334,866) | (207,129) |
| Non-Cash Movements to Operating Expenditure | 14,079,765 | 14,051,412 | (28,353) |
| Investing Activities | (16,628,946) | (13,694,523) | 2,934,423 |
| Financing Activities | 6,071,090 | (6,295,522) | (12,366,612) |
| Closing Surplus Position | 41,197 | 1,281,467 | 1,240,273 |

7. an

A brief synopsis of the budget variances are as follows:

Opening Surplus Position 2023/24

The amended opening surplus position reflects the audited results for the financial year 2022/23. The surplus emanated from \$4.4m improved operational activities, \$14.4m less in investing activities offset by \$9.3m in lower financing activities and \$0.6m lower opening position.

Operating Revenue:

Operating Revenue including rates is higher than the revised budget by \$2.4M. Areas of significant increase are:

- a) Rates revenue is higher than budget by \$550K to allow for estimated interim rates of \$550K which was not included in the original budget formulation.

- b) Operating grants, subsidies and contributions are slightly lower to allow for a minor correction relating to the Zig Zag cultural centre, removal of \$20K grant.
- c) Fees and Charges are higher than budget by \$335K including \$112K for increased Planning fees, higher sales of craft products at the Zig Zag by \$45K and increased receipt of fees at the History Village by \$40K.
- d) Interest earnings are higher than budget by \$1.5M due to a combination of higher interest rate increases, larger cashflows available for investment due to lower Capex expenditure and higher interest received from outstanding rates.
- e) Other Revenue is lower than budget by \$49K mainly due to a reduction in estimated fines revenue due to the revised enforcement process of fire infringement and rangers' fines and planning.
- f) Ex-Gratia Rates are higher than the budget estimate of \$75K to allow for the amount received from the Dampier Bunbury Gas Pipeline.

Operating Expenditure:

Operating Expenditure is higher than the revised budget by \$207K. Areas of significant changes are as follows:

- a) Employee costs are lower than the budget by \$485K to allow for realised savings due to staff vacancies across many service areas.
- b) Materials and contracts expenditure is higher than budget by \$644K mainly due to:
 - i. \$903K increase in infrastructure maintenance partially due CPI clauses in service contracts impacting on costs charged to the City. Areas that are affected are on footpaths - \$150K in light of addressing increased complaints, increased cost of traffic management \$450K, \$90K additional drainage maintenance and \$100K in road maintenance with proactive maintenance currently underway.
 - ii. \$105K increase in Development services to allow for the Hatch Court and Pickering Brook townsite preliminary investigations.
 - iii. \$30K increased outgoing costs for the Forrestfield Library.
 - iv. \$75K increase in telecommunication costs due to the Telstra and TPG crossover of contracts.
 - v. \$40K increase for contaminated sites contractor works funded by the WAAR levy/reserve.
 - vi. Offset by lower ICT Licences costs with the delay in implementation of the ERP by \$505K and lower maintenance costs in Parks and Gardens by \$146K and Building Maintenance by \$39K mainly due to resourcing challenges.

- c) Utilities is under by \$300K mainly due to Street Lighting which had been conservatively budgeted at a higher amount in light of the uncertainty of the energy regulator potentially approving a significant increase in tariffs at the time. It is expected that tariffs will have higher increases in 2024/2025
- d) Other expenditure is higher than budget by \$348K to allow for land acquisition in the Forrestfield Industrial scheme area.
- e) The rest of the expenditure types are within the budget thresholds of 10%.
- f) Non-cash movements decreased by \$28K as compared to the first term budget review, due to the recognition of profit on asset disposals.

Investing activities:

- g) Investing activities is lower than budget by \$3M. The significant changes were:
 - i. Proceeds from sale of fleet and plant of \$84K are now recognised.
 - ii. Non-operating grants income decreased by \$9.2M mainly due to alignment of the income to grant related expenditure where works will be completed in 2023/2024.
 - iii. Purchase Land and Buildings new and replacement decreased by \$4.8M due to deferred works because of staff resourcing and procurement challenges relating to the:
 - A. Maida Vale Reserve Pavilion and Change Room - 817K.
 - B. Additional Female Change Rooms - Ray Oven Reserve - \$500K.
 - C. Scott Reserve Pavilion upgrade - \$2.0M.
 - D. Hartfield Park - various projects - \$1.49M.
 - E. High Wycombe TOD precinct community hub - \$930K.
 - F. Offset by higher budgets in some projects by \$910K, the main ones being Kalamunda Waterpark slides \$422K, Emergency Building Capital repairs \$118K and leasehold improvements to the Forrestfield Library \$159K.
 - iv. Plant and Equipment is lower than budget by \$752K mainly due to the delay in the IT Software Replacement by \$800K.
 - v. Purchase and construction of infrastructure decreased by \$6.8M due to State Government requesting to take over the development of the High Wycombe TOD connector Rd - \$3.2M, \$2.3M in carry overs with the main projects being Canning Rd Blackspot Project - \$1M, Orange Valley road safety improvements \$550K and Patterson Rd - \$300K, and cancellation of projects, Canning Mills Rd widening \$467K.

- vi. Higher spend in infrastructure capital works \$240K with bulk of the adjustment related to additional works planned in the Woodlupine Brook Environmental Upgrade Cell 9 area.
 - vii. Recent cost escalation in various areas, notably buildings and road construction predicated that some projects that require deferral in 2023/2024. Tendering will be undertaken later in the year to cater for up-to-date pre-tender estimates.
- h) Financing activities are higher than budget by \$12.3M mainly due to the following items:
- i. Loan borrowing for the Scott reserve pavilion worth \$2M is deferred to 24/25 considering the carryover of funds required against that project.
 - ii. Developer capital contributions allowed for as per actuals received.
 - iii. A slight increase transfer from Reserves allowing for land acquisition costs against the Forrestfield Industrial Area Scheme Stage 1 Reserve and the transfer from both Insurance Contingency and Revaluations Reserves which are deemed as no longer required as they are allowed for operationally through normal budgeting processes.
 - iv. An increase in transfers to reserves of \$11.3M to allow for allocation of the higher opening surplus position of \$8.9M and \$3.2M, of which \$2M relates to the EDP – IT Equipment Reserves in light of delayed ERP rollout costs (carry over) and the rest relates to carryovers identified. The \$8.9M has been allocated to the following reserves:
 - A. Land and Property Enhancement and Maintenance Reserve - \$3M to allow for seed capital to initiate land development projects.
 - B. EDP – IT Equipment - \$1.5M to provide additional support to manage the ERP implementation.
 - C. \$2.8M to the Asset Enhancement Reserve which will allow for funding of large strategic projects.
 - D. \$1.3M in Unexpended Capital & Special Funded Works Reserve to allow for carry overs identified.
 - E. The rest are minor adjustments to the Waste Management and Leave Reserves.

The expected closing balance for Reserves on 30 June 2023 will be \$31.5M which is a significant increase from the opening position \$23.4M primarily allowing for the allocation of the opening surplus position from 2022/23.

This provides the City a healthy financially sustainable position going into 2024/25. (Attachment 2).

8. The City's is expected to end the year on a closing surplus position of \$1.2M.
9. The City will continue to closely monitor income and expenditure budgets to ensure a surplus is in place at 30 June 2024 to strengthen the City's financial capacity and cash reserves.
10. In light of this Budget Review, all future Financial Reports presented to Council for adoption will include adjustments to the current Budget.

APPLICABLE LAW

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

APPLICABLE POLICY

12. Nil.

STAKEHOLDER ENGAGEMENT

Internal Referrals

13. During this period the executive closely reviewed the integrity of budget projections, with the results now available for Council consideration in February 2024. A briefing to Council was held on the 20th of February 2024.

External Referrals

14. Nil.

FINANCIAL CONSIDERATIONS

15. The Amended Financial Activity Statement shows the City is projected to be in a surplus position at the end of the financial year.

SUSTAINABILITY

Social Implications

16. Nil.

Economic Implications

17. Nil.

Environmental Implications

18. Nil.

RISK MANAGEMENT

| 19. | Risk: Expenditure exceeds budgeted allocation resulting in negative impact on closing funds position. | | | | | | |
|-------------|--|-------------|------------|--------|----------|----------|--------|
| | <table border="1" style="width: 100%; border-collapse: collapse;"> <thead> <tr> <th style="width: 33%; padding: 2px;">Consequence</th> <th style="width: 33%; padding: 2px;">Likelihood</th> <th style="width: 33%; padding: 2px;">Rating</th> </tr> </thead> <tbody> <tr> <td style="padding: 2px;">Moderate</td> <td style="padding: 2px;">Possible</td> <td style="padding: 2px;">Medium</td> </tr> </tbody> </table> | Consequence | Likelihood | Rating | Moderate | Possible | Medium |
| Consequence | Likelihood | Rating | | | | | |
| Moderate | Possible | Medium | | | | | |
| | Action/Strategy | | | | | | |
| | <ul style="list-style-type: none"> Monthly management reports are tracked by business unit managers to ensure that they are operating within budget parameters. Introduction of scalable reports which are scrutinised by Executive on a monthly basis. Budget reviews and forecasting of expenditures against potential revenues are monitored closely. | | | | | | |

| 20. | Risk: Funds spent without a budget allocation | | | | | | |
|-------------|---|-------------|------------|--------|-------------|----------|--------|
| | <table border="1" style="width: 100%; border-collapse: collapse;"> <thead> <tr> <th style="width: 33%; padding: 2px;">Consequence</th> <th style="width: 33%; padding: 2px;">Likelihood</th> <th style="width: 33%; padding: 2px;">Rating</th> </tr> </thead> <tbody> <tr> <td style="padding: 2px;">Significant</td> <td style="padding: 2px;">Unlikely</td> <td style="padding: 2px;">Medium</td> </tr> </tbody> </table> | Consequence | Likelihood | Rating | Significant | Unlikely | Medium |
| Consequence | Likelihood | Rating | | | | | |
| Significant | Unlikely | Medium | | | | | |
| | Action/Strategy | | | | | | |
| | <ul style="list-style-type: none"> Electronic purchasing system in place which tracks and allows authorisation of purchase orders only if a budget is available. Increased segregation of duties between purchasing business unit with responsibility for the issue of purchasing orders now with Finance basically centralizing compliance aspect of purchasing. | | | | | | |

CONCLUSION

21. The amended Financial Activity Statement following the Mid-Term budget review in (Attachment 1) reveals a balanced budget estimate for 30 June 2023 with a surplus of \$1.2M.

22. It should be noted that the Reserves overall are still maintained at a high level with an amount of \$31.5M as shown in (Attachment 2).

23. The key to pro-actively managing the City's finances will be to diversify its revenue streams and continuing to monitor closely revenues and expenditure against allocated budgets. The City will also continue to monitor service delivery to align resources with strategic priorities.
24. It is critical that the Council is committed to this strategy to meet service level and management requirements in a financially sustainable manner.
25. The City is focused on sound financial management practices and is constantly looking at improving its financial sustainability.

Voting Requirements: Absolute Majority

RESOLVED OCM 16/2024

That Council:

1. AMEND the 2023/2024 current budget to reflect the summarised changes in the amended Financial Activity Statement and Net Current Asset Position (Attachment 1 & 2), pursuant to Section 6.8 (1) (b) of the *Local Government Act 1995*.
2. Pursuant to Section 6.11 (2) (b) of the *Local Government Act 1995*, AUTHORISE the transfers to and from Reserves as detailed in (Attachment 3).
3. AMEND the 2023/2024 Capital Works Budget (Confidential Attachment 4), pursuant to Section 6.8 (1) (b) of the *Local Government Act 1995*.

Moved: **Cr Dylan O'Connor**

Seconded: **Cr Lisa Cooper**

Vote: For: **Mayor Margaret Thomas, Cr Dylan O'Connor, Cr John Giardina, Cr Geoff Stallard, Cr Mary Cannon, Cr Brooke O'Donnell, Cr Lisa Cooper, Cr Kathy Ritchie and Cr David Modolo**

Against: **Nil**

CARRIED UNANIMOUSLY/ABSOLUTE MAJORITY (9/0)

11. Motions of Which Previous Notice has been Given

11.1. Local Planning Policy 23 – Tree Retention.

Voting Requirements: Absolute Majority

RESOLVED OCM 8/2024

That Council pursuant to clause 6 (b) of Schedule 2 of *the Planning and Development (Local Planning Scheme) Regulations 2015*, REVOKE Local Planning Policy 23 – Tree Retention.

Moved: **Cr David Modolo**

Seconded: **Cr Dylan O'Connor**

Third Councillor supporting: **Cr John Giardina**

Vote: For: **Mayor Margaret Thomas, Cr Dylan O'Connor, Cr John Giardina, Cr Geoff Stallard, Cr Mary Cannon and Cr David Modolo**

Against: **Cr Brooke O'Donnell, Cr Lisa Cooper and Cr Kathy Ritchie**

CARRIED/ABSOLUTE MAJORITY (6/3)

Rationale:

1. Council adopted Local Planning Policy 33 – Tree Retention (Policy) in December 2022; OCM 177/2022.
2. The objectives of the Policy are stated at section 4 of the Policy document.
3. The Policy has been in operation for a period of at least 12 months.
4. There have been reported instances of perverse outcomes to the Policy's implementation and application, particularly regarding the safety of City residents.
5. It is warranted to repeal the Policy, as the text of the Policy renders it inappropriate and inadequate in balancing the interests of ratepayers, alongside the interest of conservation of our natural assets.

11.2. Local Planning Policy 23 – Tree Retention.

Voting Requirements: Absolute Majority

RESOLVED OCM 9/2024

That Council DEFER consideration of the request to revoke Local Planning Policy 33 – Tree Retention, to enable:

1. a report to Council on a full review of Local Planning Policy 33, including possible modifications and/or the implications arising from the revocation of the policy, and
2. the report being presented through the full Council meeting cycle by October 2024.

Moved: **Cr Kathy Ritchie**

Seconded: **Cr Lisa Cooper**

Third Councillor supporting: **Cr Brooke O'Donnell**

Vote: For: **Cr Mary Cannon, Cr Brooke O'Donnell, Cr Lisa Cooper and Cr Kathy Ritchie**

Against: **Mayor Margaret Thomas, Cr Dylan O'Connor, Cr John Giardina, Cr Geoff Stallard and Cr David Modolo**

LOST (4/5)

Rationale:

- 1) The Council, City and the community were involved in a three year process to develop and refine LPP33. This included an extensive public consultation process and an opportunity for the community to present deputations and to ask questions of Council.
- 2) To rescind LPP33 without even a full Council cycle i.e. Public Agenda Briefing and an Ordinary Council Meeting risks alienating our community and opens the City to reputational and financial damage.
- 3) This motion to DEFER for six months, seeks to maintain LPP33 in place while a review is undertaken. This will allow the Council and the community an opportunity to express their opinions on the Policy and make suggestions for its improvement.

- 4) A policy of this magnitude would inevitably have teething issues. The matters of concern appear to be centred primarily around process, rather than on the intent of the Policy.
- 5) While these matters of concern can be addressed by a review, the positive outcomes of the Policy in its first year of operation need also to be highlighted. These include the planting of 367 new trees, the retention of 17 mature trees, the increase of a projected canopy cover well in excess of what is currently present and holding to account those who remove trees on a large scale. None of these would have occurred without LPP33. It is also to be noted that of the 43 requests for tree removal, 32 were approved, 6 are under assessment, 3 were withdrawn and 2 were refused. These are not large numbers of request for tree removal and do not support the motion to rescind.
- 6) If LPP33 is rescinded there will be an return to wholesale clearing of industrial, commercial and housing estates as occurred prior to its introduction, further reducing our tree canopy. Given our increasingly hot summers and the known heat island effect, a reduced canopy can only exacerbate these risks to health and well-being.
- 7) Even if a new Policy were to be developed, this process as outlined above, takes two to three years. What happens to our vegetation cover during this period when there is a policy vacuum?
- 8) I ask Councillors to take the prudent course to defer the motion while a review is undertaken that will report back to Council in October.

12. Questions by Members Without Notice

12.1 Forrestfield Men's Shed (Cr Stallard)

Q. In conversation with various people, with interest, in the relocation of the Foothills Mens Shed it has been raised that the current proposal will be detrimental to the users of the Hockey Club. Would it be possible to reconsider the location of the Mens Shed to the land along side the Forrestfield Bowls Club.

A. Taken on Notice.

12.2 Question from Previous Meeting (O'Connor)

Q. Can it be confirmed it is acceptable and legal for vehicles to cross the unbroken white line to overtake cyclists.

A. The Director Asset Services advised this was correct and this would be confirmed in writing.

13. Questions by Members of Which Due Notice has been Given

13.1 Kalamunda Road Resurfacing - Cr O'Connor (taken on notice 12 December 2023)

Q. Spotting and the outline for line marking of the new works on the upper section of Kalamunda Road have been laid down. I note there is a large centre median block out pushing traffic to the left in the carriage ways. Why has this strategy been used by the City and how does that fit with other road users and in particular cyclists?

A. The rationale to install pavement marked medians throughout resurfacing jobs is as follows:

- i. The perception of narrowed traffic lanes helps reduce speeds.
- ii. It allows vehicles to manoeuvre around cyclists safer by allowing a neutral space to overtake and achieve the 1.5 metre safe passing distance. This is an improvement to previous pavement marking, which forced traffic to cross centre line when passing cyclists safely.
- iii. It is considered a cost-effective treatment as opposed to physical median.
- iv. It can be easily modified in future if/when required, there is also an ability to add physical medians for pedestrian crossings.
- v. It provides intersection control by allowing delineation for right turning vehicles without physically restricting right turn pocket. The crash history in the last 5 years has been rear end crashes, median space will mitigate this risk.

14. Urgent Business Approved by the Presiding Member or by Decision

14.1 Nil.

15. Meeting Closed to the Public

15.1 Nil

- 16. Tabled Documents**
DACAG Meeting Notes 12 February 2024

17. Closure

There being no further business, the Presiding Member declared the Meeting closed at 9:37pm.

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

Signed: _____
Presiding Member

Dated this _____ day of _____ 2024.