

Ordinary Council Meeting

Minutes for 16 December 2013

CONFIRMED



**shire of
kalamunda**

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MINUTES

1.0 OFFICIAL OPENING

1.1 The Presiding Member opened the meeting at 6.05pm and welcomed Councillors, Staff and Members of the Public Gallery.

2.0 ATTENDANCE, APOLOGIES AND LEAVE OF ABSENCE PREVIOUSLY APPROVED

2.1 Attendance

Councillors

Sue Bilich	(Presiding Member) (Shire President)	North Ward
Simon Di Rosso		North Ward
Margaret Thomas		North Ward
Noreen Townsend		South West Ward
Allan Morton		South West Ward
Justin Whitten		South West Ward
Geoff Stallard		South East Ward
Frank Lindsey		South East Ward
John Giardina		South East Ward
Andrew Waddell		North West Ward
Bob Emery		North West Ward
Dylan O'Connor		North West Ward

Members of Staff

Rhonda Hardy	Chief Executive Officer
Warwick Carter	Director Development Services
Gary Ticehurst	Director Corporate Services
Darrell Forrest	Manager Governance
Rajesh Malde	Manager Financial Services
Sam Assaad	Manager Infrastructure Operations
Andrew Fowler-Tutt	Manager Development Services
Darren Jones	Manager Community Development
Donna McPherson	Minute Secretary/Executive Research Officer

Members of the Public 11

Members of the Press Nil

2.2 **Apologies** Nil

Councillors Nil

2.3 **Leave of Absence Previously Approved** Nil

3.0 PUBLIC QUESTION TIME

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

3.1 Nil.

4.0 PETITIONS/DEPUTATIONS

4.1 10.4.8 Lot 213 (28) Lewis Road, Wattle Grove – Amendment to Local Planning Scheme No. 3 – Additional Use.

Ms Maria Daniel presented the application to Councillors and answered queries.

5.0 APPLICATIONS FOR LEAVE OF ABSENCE

5.1 Nil.

6.0 CONFIRMATION OF MINUTES OF PREVIOUS MEETING

RESOLVED OCM 200/2013

6.1 That the Minutes of the Ordinary Council Meeting held on 25 November 2013 are confirmed as a true and accurate record of the proceedings.

Moved: Cr Geoff Stallard

Seconded: Cr Dylan O'Connor

Vote: **CARRIED UNANIMOUSLY (12/0)**

7.0 ANNOUNCEMENTS BY THE MEMBER PRESIDING WITHOUT DISCUSSION

8.0 MATTERS FOR WHICH MEETING MAY BE CLOSED

8.1 A&R14 Financial Statements for year ended 30 June 2013

Confidential Attachment 3 (if discussion to occur)

Audit Management Letters and Administration's Response

Reason for Confidentiality – Local Government (Administration) Regulations 1996

R14 (2) "Nothing in Sub regulation (1) entitles members of the public to inspect the information referred to in that sub regulation if in the CEO's opinion, the meeting or that part of the meeting to which the information refers is likely to be closed to members of the public under section 5.23(2)."

8.2 10.4.6 Objection to the Issuing of a Notice of Breach – Lots 83 (30) and Lot 84 (28) Prospect Crescent, Kalamunda

Confidential Attachment 2 Samec Legal Advice

Confidential Attachment 3 McLeods Legal Advice

Confidential Attachment 4 McLeods Legal Advice

- 8.3 **10.4.9 Dispute in relation to the former Chief Executive Officer**
Reason for Confidentiality – Local Government Act 1995:
Section 5.23 (2) (b) "the personal affairs of any person".
Section 5.23 (2) (d) "legal advice obtained or maybe obtained by the Local government and which relates to a matter to be discussed at the meeting"

9.0 DISCLOSURE OF INTERESTS

9.1 Disclosure of Financial and Proximity Interests

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

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.

Nil.

10.0 REPORTS TO COUNCIL

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

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

10.1 Development & Infrastructure Services Committee Report

**10.1.1 D&I 84 Amendment No. 51 to Local Planning Scheme No. 3 –
Modifications to Exempted Advertisements Schedule**

COMMITTEE RECOMMENDATION TO COUNCIL (D&I 84/2012)

That Council:

- 1. That the item be deferred to the December 2013 Ordinary Council Meeting to enable further legal advice to be sought.

The Officer Recommendation was presented to the meeting as there was no mover or seconder for the recommendation it **LAPSED**.

Voting Requirements: Simple Majority

OFFICER RECOMMENDATION

That Council:

1. Notes the submission received in response to Amendment No. 51 to Local Planning Scheme No. 3.
2. Adopts the amendment to Local Planning Scheme No. 3 with modification, in accordance with the following:

PLANNING AND DEVELOPMENT ACT 2005
RESOLUTION DECIDING TO AMEND A LOCAL PLANNING
SCHEME
SHIRE OF KALAMUNDA
LOCAL PLANNING SCHEME NO. 3
AMENDMENT NO. 51

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

- (a) Modify Schedule 5 (Exempted Advertisements) of Local Planning Scheme No. 3 to include the following provisions for election, political and community event signs:

LAND USE AND/OR DEVELOPMENT	EXEMPTED SIGN	MAXIMUM SIZE
Election and Political Signs	One sign per street frontage displayed for the period following the issue of the writs for a State or Federal election, or 37 days before a local election in accordance with Section 4.49(a) of the <i>Local Government Act 1995</i> . The sign will be required to be removed within	2sqm

	14 days after the relevant election.	
Community Association Event Signs	<p>One sign per street frontage displayed no earlier than three weeks prior to the event.</p> <p>The sign will be required to be removed within 14 days after the relevant event.</p>	2sqm

- (b) Modify Schedule 1 (Dictionary of Defined Words and Expressions) by inserting the following definitions:

“Community Association ” means an institution, association, club, society or body, whether incorporated or not, the objective of which are charitable, benevolent, religious, cultural, educational, recreational, sporting or other like nature and the members of which are not entitled to or permitted to receive any pecuniary profit from the transactions.

“Political Sign” means a sign which displays, or makes reference to, matters of a political nature and/or promotes sitting members, candidates, or potential candidates, for election to the Parliament of the Commonwealth or the State, or for the Council of the Local Government but does not include a sign erected by the Local Government for public information.

3. Amends the Scheme Text accordingly.
4. Duly executes the Amendment documents and forwards them and the submission received to the Minister for Planning requesting final approval be granted.

Moved:

Seconded:

Vote: **LAPSED**

Further to legal advice an alternative recommendation was presented for consideration.

RESOLVED OCM 201/2013

That Council:

1. Notes the submissions received in response to Amendment No. 51 to the Local Planning Scheme No.3.
2. Not adopt Amendment No. 51 to Local Planning Scheme No.3.
3. Advise the Minister that Council resolved not to adopt the amendment due to ongoing issues regarding the regulation of political and election signage.
4. Reserve the right to revisit the matter of regulating political and election signage following further advice and consideration of the matter.

Moved: **Cr Margaret Thomas**

Seconded: **Cr Frank Lindsey**

Vote: For
Cr Frank Lindsey
Cr Justin Whitten
Cr Bob Emery
Cr Simon Di Rosso
Cr Margaret Thomas
Cr Sue Bilich

Against
Cr John Giardina
Cr Geoff Stallard
Cr Allan Morton
Cr Noreen Townsend
Cr Andrew Waddell
Cr Dylan O'Connor

6/6

As the vote was 6/6 the Chairman in accordance with Section 5.21 (3) of the Local Government Act 1995 exercised her right to cast a second vote. The Presiding Person cast her second vote for the Recommendation; the motion was therefore carried 7/6.

CARRIED (7/6)

10.1.2 D&I 85 Proposed Local Planning Policy - Signage on Private Property

COMMITTEE RECOMMENDATION TO COUNCIL (D&I 85/2012)

That Council:

1. That the item be deferred to the December 2013 Ordinary Council Meeting to enable further legal advice to be sought.

The Officer Recommendation was presented to the meeting as there was no mover or seconder for the recommendation it **LAPSED**.

OFFICER RECOMMENDATION

That Council:

1. Adopts Local Planning Policy DEV 42 – Signage on Private Property with amendments (Attachment 1) and a notice to this effect be placed in a newspaper circulating the District.

Moved:

Seconded:

Vote: **LAPSED**

Further to legal advice an alternative recommendation was presented for consideration.

RESOLVED OCM 202/2013

That Council:

1. Adopts Local Planning Policy Dev 42 – signage on Private Property with amendments (Attachment 1) and the following additional modification:
 - a) The deletion of 3.16 Election and Political Signs from Local Planning Policy Dev 42.
2. Following the amendments being undertaken to the Policy, place a notice to this effect in the newspaper circulating the district.

Moved: **Cr Frank Lindsey**

Seconded: **Cr Margaret Thomas**

Vote: For
Cr John Giardina
Cr Frank Lindsey
Cr Allan Morton
Cr Noreen Townsend
Cr Justin Whitten
Cr Bob Emery
Cr Simon Di Rosso
Cr Margaret Thomas
Cr Sue Bilich

Against
Cr Geoff Stallard
Cr Andrew Waddell
Cr Dylan O'Connor

CARRIED (9/3)

10.2 Corporate & Community Services Committee Report

10.2.1 Adoption of Corporate & Community Services Committee Report

Voting Requirements: Simple Majority

RESOLVED OCM 203/2013

That the recommendations C&C 70, C&C 71 & C&C73 contained in the Corporate & Community Services Committee Report of 9 December 2012 be adopted by Council en bloc. Withdrawn item C&C 72 requires an absolute majority and will be considered separately.

Moved: **Cr Dylan O'Connor**

Seconded: **Cr Bob Emery**

Vote: **CARRIED UNANIMOUSLY (12/0)**

10.2.2 C&C 70 Creditors Accounts Paid During the Period 6 November to 20 November 2013

EN BLOC RESOLUTION OCM 203/2013

That Council:

1. Receives the list of creditors paid during the period 6 November to 20 November 2013 (Attachment 1) in accordance with the requirements of the *Local Government (Financial Management) Regulations 1996 (Regulation 12)*.

10.2.3 C&C 71 Schedule of Council and Committee Meetings 2014

EN BLOC RESOLUTION OCM 203/2013

That Council:

1. Endorses the Schedule of Committee and Council Meetings (Attachment 1) for the period February 2014 to December 2014.

10.2.4 C&C 73 Amendment to Local Planning Scheme No. 3 – Modification to the Car Parking Requirement for Shops

EN BLOC RESOLUTION OCM 203/2013

That Council:

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

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

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

- (a) Modify Table 3 (Parking Requirements) by deleting the current car parking requirements for the use 'Shop' and replace with the following:

"5 bays per 100sqm of NLA."

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

10.2.5 C&C 72 Reinstatement of Community Safety and Crime Prevention Advisory Committee

RESOLVED OCM 204/2013

That Council:

1. Adopt the proposed Terms of Reference for the Community Safety and Crime Prevention Advisory Committee. (Attachment 1)
2. Accept and endorse the following six nominations to the Community Safety and Crime Prevention Advisory Committee:
 - Snr Sgt Walter Brierley
 - Jennifer Dass
 - Peter Goodall
 - Sara Lohmeyer
 - Aleisha Nunn
 - Harvey Reeves

Moved: **Cr Geoff Stallard**

Seconded: **Cr Noreen Townsend**

Vote: **CARRIED UNANIMOUSLY/ABSOLUTE MAJORITY (12/0)**

10.3 Audit & Risk Committee Report

10.3.1 A&R14 Financial Statements for year ended 30 June 2013

RESOLVED OCM 205/2013

That the Committee recommend that Council:

1. Receive the Audited Financial Report for the year ended 30 June 2013 shown as Attachment 1.
2. Receive the Independent Audit Report of the Shire of Kalamunda for the financial year ended 30 June 2013 as presented as Attachment 2.
3. The Committee notes the Administration's response to the Management Letters as per Confidential Attachment 3.

Moved: **Cr Dylan O'Connor**

Seconded: **Cr Margaret Thomas**

Vote: **CARRIED UNANIMOUSLY (12/0)**

10.4 CHIEF EXECUTIVE OFFICER REPORTS

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

10.4.1 Debtors and Creditors Reports for the Period Ended 30 November 2013

Previous Items	N/A
Responsible Officer	Director Corporate & Community Services
Service Area	Finance
File Reference	FI-CRS-002
Applicant	N/A
Owner	N/A
Attachment 1	Summary of Debtors for the period ended 30 November 2013
Attachment 2	Summary of Creditors for the period ended 30 November 2013

PURPOSE

1. To receive a monthly report on debtors and creditors (Attachments 1 and 2).

BACKGROUND

2. Attached are the reports detailing aged Debtors (Attachment 1) and Creditors (Attachment 2) as at 31 August 2013.
3. Council has requested reports detailing outstanding debtors and creditors on a monthly basis.

DETAILS

4. Invoices over 30 days total \$63,760.59 Debts of significance:
 - Bridget Creaney \$12,695.00 – Bonds Works
 - City of Perth \$18,298.31 Long Service Leave reimbursement
 - City of Stirling \$5,769.41 Long Service Leave reimbursement
5. Invoices over 60 days total \$14,889.60 Debts of significance:
 - Western Power \$7,695.10 – private works – repairs to damaged storm water pipes;
 - Zig Zag café Kalamunda \$4,899.32 – Café lease and utility expenses – debtor has committed to make \$1,600 fortnightly payments
6. Invoices over 90 days total 35,402.28. Debts of significance:
 - Forrestfield United Soccer Club \$3,194.18 - operational expenses. A fortnightly direct debit of \$600 is in place.
 - Lesmurdie Tennis Club Inc \$25,500 – Contribution to extension. Additional works requested to be completed by January 2014 by which time Club has committed to pay.

Creditors

7. Payments totalling \$4,306,883.64 were made during the month of November 2013. Standard payment terms are 30 days from the end of month, with local businesses and contractors on 14 day terms.

8. Significant Municipal payments made in the month were:

Supplier	Purpose	\$
PH Concrete	Footpath Programme and Maintenance – various locations	114,937.49
Australian Tax Office	PAYG	284,157.12
Datacom	IT Infrastructure Replacement Programme	276,374.99
Price Waterhouse Coopers	Professional services – Smokebush Estate	89,067.00
Redline WA Pty Ltd	Progress payment – Abernethy Rd Sewerage works	383,705.41
EMRC	Domestic/Waste - Red Hill Tip Charges	371,577.63
Beaver Tree Services	Tree removal/pruning various locations	90,742.30
McKay Earthmoving Pty Ltd	Infrastructure works programme – various locations	48,755.07
LGIS	Insurance – Public Liability, Property and Workcare	472,774.56
Synergy	Power Charges	129,173.30
WA Local Government Superannuation	Super Contributions	174,798.43
Perth Waste Pty Ltd	Collection and disposal of putrescible waste	222,633.10

9. These payments total \$2,658,696.40 and represent 61% of all payments for the month.

Trust Account Payments

10. The Trust Accounts maintained by the Shire relate to the following types:

- CELL 9 Trust
- POS Trust
- BCITF Levy
- Building Licence Levy
- Unclaimed Monies

11. The following payments were made from the Trust Accounts in the month November 2013:

Cell 9 Transactions		Amount (\$)
Date	Description	
11/11/2013	Scanlan Surveys Pty Ltd - Subdivision Hale Rd, Wattle Grove WAPC 148971	715.00
11/11/2013	Shire of Kalamunda - Project Management costs for October 2013	1,991.00
25/11/2013	Kalamunda Fencing & Gatemakers – Progress payment for gates	13,068.00
29/11/2013	ATO – October 2013 BAS Payment	98,235.08
Building & Construction Industry		Amount (\$)
Date	Description	
05/11/2013	BCITF Training Fund Levy - October 2013	29,335.90
Forrestfield Industrial Area Trust		Amount (\$)
01/11/2013	Savills Valuations Pty Ltd – Valuation of Stage 1 – Forrestfield Industrial Area	12,000.00
19/11/2013	Shire of Kalamunda – Project Management Fees – October 2013	1,086.25

STATUTORY AND LEGAL CONSIDERATIONS

12. In accordance with the requirements of the *Local Government (Financial Management) Regulations 1996 (Regulation 13)* a list of accounts paid by the CEO is to be prepared each month and presented in the manner required as per the Regulation.

POLICY CONSIDERATIONS

13. Nil.

COMMUNITY ENGAGEMENT REQUIREMENTS

14. Nil.

FINANCIAL CONSIDERATION

15. Nil.

STRATEGIC COMMUNITY PLAN

Strategic Planning Alignment

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

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

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

SUSTAINABILITY

Social Implications

17. Nil.

Economic Implications

18. Nil.

Environmental Implications

19. Nil.

RISK MANAGEMENT CONSIDERATIONS

Debtors

20.

Risk	Likelihood	Consequence	Action/Strategy
The Shire is exposed to the potential risk of the debtor failing to make payments which it is obligated to do. This will result in the disruption of cash flows and increased collection costs. The loss may be complete or partial and can arise in a number of circumstances.	Low	Low	Ensure debt collections is rigorously managed.

Creditors

21.	Risk	Likelihood	Consequence	Action/Strategy
	If the Shire defaults on a payment to a creditor, the Shire runs the risk of a negative credit record resulting in potential future disruptions on cash flows and ability to obtain credit.	Low	Low	Ensure all disputes are resolved in time

OFFICER COMMENT

22. Nil.

Voting Requirements: Simple Majority

RESOLVED OCM 206/2013

That Council:

1. Receives the outstanding debtors (Attachment 1) and creditors (Attachment 2) reports for the period ended 30 November 2013.
2. Receives the list of payments made from the Trust Accounts in November 2013 as noted in point 11 above in accordance with the requirements of the *Local Government (Financial Management) Regulations 1996 (Regulation 12)*.

Moved: **Cr Margaret Thomas**

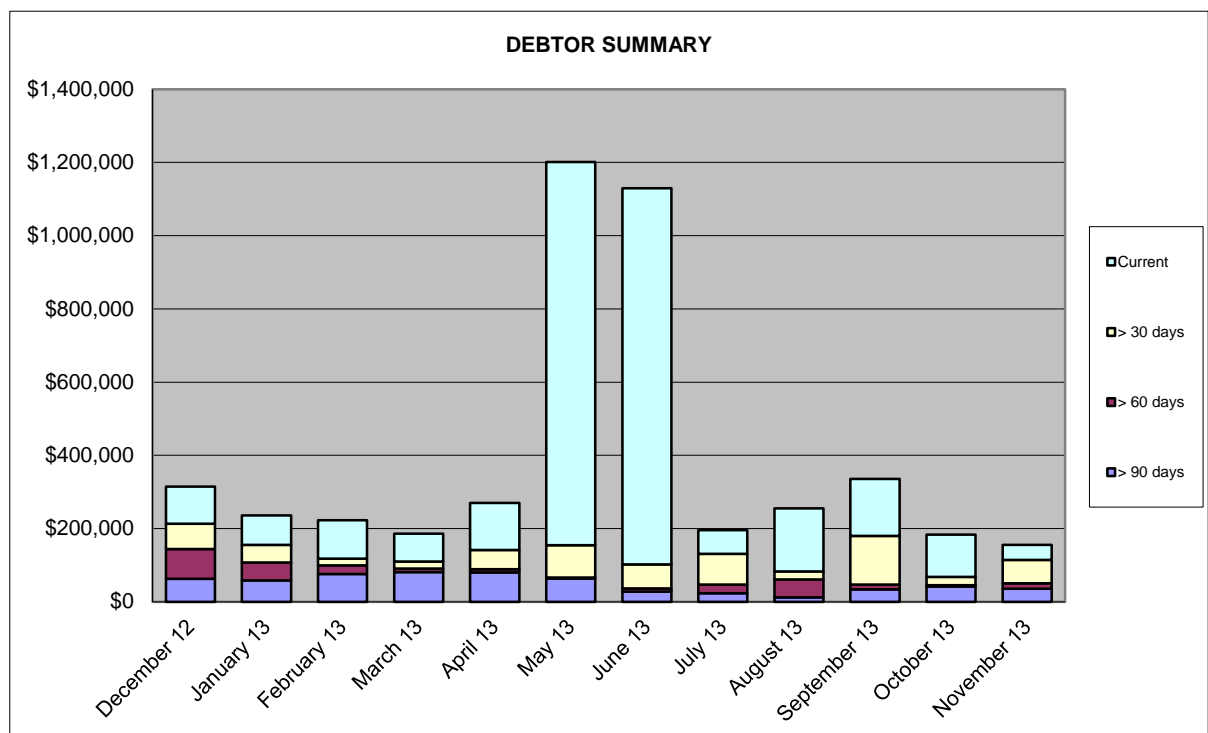
Seconded: **Cr Bob Emery**

Vote: **CARRIED UNANIMOUSLY (12/0)**

**SHIRE OF KALAMUNDA
 SUMMARY OF DEBTORS
 FOR THE PERIOD ENDED 30th November 2013**

Sundry Debtors Trial Balance - Summary Aged Listing

	> 90 days	> 60 days	> 30 days	Current	Total
December 12	\$62,557	\$81,810	\$68,850	\$101,098	\$314,316
January 13	\$58,449	\$48,824	\$48,471	\$80,427	\$236,171
February 13	\$76,014	\$23,599	\$17,881	\$105,556	\$223,051
March 13	\$81,111	\$9,196	\$20,088	\$75,939	\$186,335
April 13	\$80,450	\$8,181	\$53,087	\$128,415	\$270,133
May 13	\$63,398	\$2,436	\$88,471	\$1,047,105	\$1,201,410
June 13	\$27,854	\$8,275	\$66,371	\$1,026,898	\$1,129,399
July 13	\$22,971	\$24,180	\$84,188	\$63,956	\$195,295
August 13	\$12,386	\$48,665	\$21,521	\$172,620	\$255,193
September 13	\$33,547	\$13,845	\$132,820	\$155,054	\$335,266
October 13	\$41,669	\$3,852	\$22,138	\$115,581	\$183,240
November 13	\$35,402	\$14,890	\$63,761	\$41,601	\$155,654



**SHIRE OF KALAMUNDA
SUMMARY OF DEBTORS
FOR THE PERIOD ENDED 30 November 2013**

	AMOUNT	DEBTOR	DETAILS	STATUS
>90 days				
	\$3,194.18	Forrestfield United Soccer Club WA Inc ^	Operational Expenses	Fortnightly Direct Debits in place - \$600.
	\$1,047.71	Kalamunda & Districts Football Club	Utilities - Ray Owen Centre	Final Payment Notice mailed.
	\$2,385.00	Kalamunda Farmers Market ^	Trading in Thoroughfares	Fortnightly Direct Debits in place - \$480. Final deduction 06/02/14
	\$25,500.00	Lesmurdie Tennis Club Inc *	Contribution to Extension	The Shire is monitoring.
	\$3,275.39	90+ Days Debts consisting of amounts under \$1,000.00.		Debtors to be contacted by telephone to advise debt recovery action pending / final notices issued or debt with D&B.
	\$35,402.28	Total Debts 90+ Days		
>60 days				
	\$7,695.10	Western Power	Private Works - repair to damaged storm water pipes	Western Power has requested additional details regarding liability.
	\$4,899.32	Zig Zag Café Kalamunda ^	Zig Zag Café Lease / Utility Expenses	Debtor has committed to make fortnightly payments of \$1600. Shire is monitoring.
	\$7,194.50	60+ Days Debts consisting of amounts under \$1,000.00.		All debtors to be contacted by telephone / email - copy invoices mailed as required.
	\$14,889.60	Total Debts 60+ Days		

**SHIRE OF KALAMUNDA
SUMMARY OF DEBTORS
FOR THE PERIOD ENDED 30 November 2013**

	AMOUNT	DEBTOR	DETAILS	STATUS
>30 days				
	\$12,695.00	Bridget Creaney	Bond - Works	Reminder invoices to be sent.
	\$18,298.31	City of Perth	Long Service Leave reimbursement	Reminder invoices to be sent.
	\$5,769.41	City of Stirling	Long Service Leave reimbursement	Reminder invoices to be sent.
	\$2,164.45	Goldfocus Enterprises Pty	Property Valuation reimbursement	Reminder invoices to be sent.
	\$3,881.75	Hills District Callisthenics	Hall Hire - Hire Wycombe Centre	Reminder invoices to be sent.
	\$4,406.69	Kalamunda & Districts Basketball	Utilities - Ray Owen Centre	Reminder invoices to be sent.
	\$2,612.34	Lesmurdie Tennis Club Inc	Loan 215	Reminder invoices to be sent.
	\$3,885.60	Lone Star Developments Pty	Bond - Works	Reminder invoices to be sent.
	\$1,153.00	Simon Mead	Hall Hire - Hire Wycombe Centre	Reminder invoices to be sent.
	\$1,835.63	Zig Zag Café Kalamunda ^	Zig Zag Café Lease / Utility Expenses	As above.
	\$7,058.41	30+ Days Debts consisting of amounts under \$1,000.00.		Reminder invoices to be sent.
	\$63,760.59	Total Debts 30+ Days		
< 30 days				
	\$45,129.76	Total of Current Debts		
	-\$3,528.34	Total of Accounts in Credit		
	\$155,653.89	Total - Debtors Trial Balance		
FOOTNOTES				
* Denotes currently in negotiation of invoice amount and details				
^ Denotes payment arrangement in place				

**SHIRE OF KALAMUNDA
SUMMARY OF CREDITORS
FOR THE PERIOD ENDED 30 NOVEMBER 2013**

Sundry Creditors Trial Balance - Summary Aged Listing

Month End	> 90 days	> 60 days	> 30 days	Current	Total
31/07/2012	\$1,129	\$2,418	\$829,279	\$1,240,322	\$2,073,148
31/08/2012	\$5,953	\$434	\$10,731	\$1,784,665	\$1,801,783
30/09/2012	\$13,713	\$1,630	\$6,362	\$1,036,804	\$1,058,509
31/10/2012	\$923	\$91,135	\$40,634	\$1,275,858	\$1,408,551
30/11/2012	\$8,738	\$4,059	\$10,289	\$1,387,687	\$1,410,773
31/12/2012	\$8,580	-\$454	\$53,987	\$544,597	\$606,710
31/01/2013	\$2,275	-\$4	\$10,756	\$380,050	\$393,077
28/02/2013	-\$191	-\$154	\$8,042	\$500,380	\$508,078
31/03/2013	-\$344	\$6,566	\$5,034	\$163,125	\$174,380
30/04/2013	\$7,253	\$39,057	\$10,266	\$690,585	\$747,161
31/05/2013	\$1,225	\$942	\$14,952	\$1,077,590	\$1,094,709
30/06/2013	\$9,393	\$13,544	\$364,665	\$1,914,271	\$2,301,873
31/07/2013	\$3,168	\$30,928	\$7,860	\$704,407	\$746,364
31/08/2013	\$1,618	\$6,095	\$46,102	\$542,740	\$596,555
30/09/2013	\$3,630	\$53,734	\$7,014	\$383,394	\$447,773
31/10/2013	\$12,120	\$1,454	\$107,830	\$1,566,553	\$1,687,957
30/11/2013	\$12,873	\$19,461	\$188,950	\$1,734,521	\$1,955,805

Comment

- > 90 days Original Invoices for Written Perspectives P/L, Green Skills, Plunkett Homes & Cameron Kerr not received in Accounts to process
- > 60 days Original Invoices for Green Skills, MacDonald Johnston Engineering, Hills Gourmet & Landmark Products Ltd not received in Accounts to process.
- > 30 days These invoices are paid on the third fortnightly payment run.

Creditor Payments made

Month	Amount \$	Quantity		
		Cheques	EFTs	Total
Jul-12	\$ 3,085,557	88	531	619
Aug-12	\$ 2,928,637	77	356	433
Sep-12	\$ 5,229,543	101	569	670
Oct-12	\$ 2,931,587	66	497	563
Nov-12	\$ 3,692,467	70	512	582
Dec-12	\$ 4,255,844	68	493	561
Jan-13	\$ 2,396,387	59	397	456
Feb-13	\$ 3,426,479	100	568	668
Mar-13	\$ 4,766,915	69	588	588
Apr-13	\$ 2,869,343	70	482	552
May-13	\$ 3,222,475	73	568	641
Jun-13	\$ 3,221,716	68	544	612
Jul-13	\$ 3,861,531	83	462	545
Aug-13	\$ 2,924,590	107	573	680
Sep-13	\$ 3,520,038	69	523	592
Oct-13	\$ 4,358,209	79	513	592
Nov-13	\$ 4,306,884	75	577	652

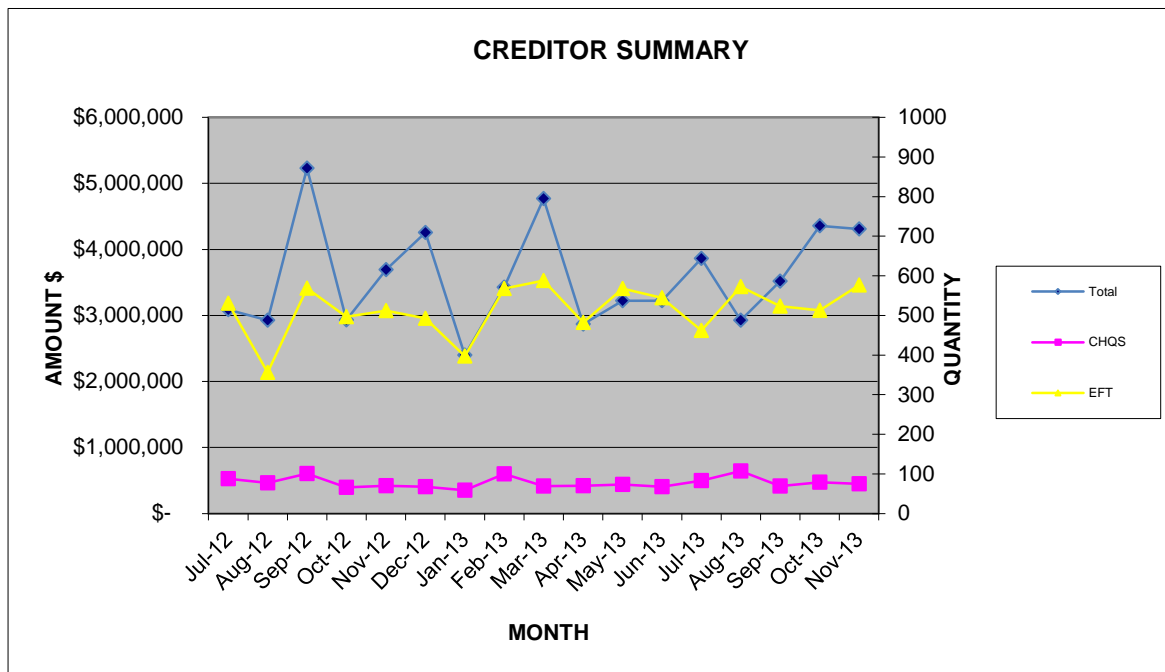
*Excludes net staff payroll

*Creditors on 30 day terms are paid on the 28th of the month following.

*Local suppliers are paid on 14 day terms.

SHIRE OF KALAMUNDA

**SUMMARY OF CREDITORS
 FOR THE PERIOD ENDED 30 NOVEMBER 2013**



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

10.4.2 Rates Debtors Report for the Period Ended 30 November 2013

Previous Items	N/A
Responsible Officer	Director Corporate Services
Service Area	Finance
File Reference	FI-DRS-004
Applicant	N/A
Owner	N/A
Attachment 1	Summary of Outstanding Rates for the period ended 30 November 2013

PURPOSE

1. To receive a report on rates debtors for the period ended 30 November 2013.

BACKGROUND

2. Attached is the report detailing rates debtors for the period ended 30 November 2013 (Attachment 1).
3. Rates notices were issued on 08 July 2013.
Instalment dates are as follows:
Option 1 (Full Payment) - By 12 August 2013
Option 2 (Two Instalments) – 1st Instalment Date by 12 August 2013
2nd Instalment Date by 16 December 2013
Option 3 (Four Instalments) – 1st Instalment Date by 12 August 2013
2nd Instalment Date by 14 October 2013
3rd Instalment Date by 16 December 2013
4th Instalment Date by 10 February 2014

A grace period of two weeks was given before closing the instalment period. Any amounts outstanding on those ratepayers with an instalment option are regarded as defaulted and essentially are removed from this arrangement. The Shire can accept a direct debit payment arrangement to finalise the balance or a special payment arrangement is made in extenuating circumstances. Strict protocols are maintained so that the Shire is seen to be fair and equitable to all ratepayers.
4. 813 Letter of Demands ratepayers with outstanding balances on 12 November 2013. All but 417 have either paid in full or have taken up a direct debit payment arrangement to pay the balance of their rates.
5. As noted on (Attachment 1), the Shire has collected \$19,007,436 or 69% of the debt from the date the rates and service charges were raised. As a comparison, last year's collection of rates were lower at 64% mainly due to the delay in issuance of the rates notices.

6. A small amount of interim rates of \$18,549 have been raised to November. Processing of the interim rates will be a focus during December and January to ensure all potential revenue is recognised.

DETAILS

Debt Recovery

7. All of the 22 outstanding debts that remain with Dun & Bradstreet (D&B) have had Judgement entered against them; 8 have been served with a "Property Search & Seizure Order" (PSSO). The balances are still to have PSSO issued once located.

As indicated in point 4 above, there were still 417 ratepayers who have not responded to the D&B or are in the process of finalising an arrangement with the Shire. The Shire will continue pursuing closure on the outstanding debtors throughout December. This will include an extended call campaign after which, the balance will be directed towards the processing of a "General Procedure Claim" (GPC).

A report will then be brought to Council in the new year to approve those that haven't settled on their GPC claims requesting Council to authorise either a PSSO or Land Warrant.

STATUTORY AND LEGAL CONSIDERATIONS

8. The Shire 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.*

POLICY CONSIDERATIONS

9. Nil.

COMMUNITY ENGAGEMENT REQUIREMENTS

10. Nil.

FINANCIAL CONSIDERATIONS

11. The early raising of rates in July has allowed the Shires operations to commence without delays in addition to earning additional interest.

STRATEGIC COMMUNITY PLAN

Strategic Planning Alignment

12. *Kalamunda Advancing: Strategic Community Plan to 2023*
OBJECTIVE 6.8 – To ensure financial sustainability through the implementation of effective financial management, systems and plans.
Strategy 6.8.4 Provide effective financial services to support the Shire's operations and to meet sustainability planning, reporting and accountability requirements.

SUSTAINABILITY

Social Implications

13. Debt collection can have implications upon those ratepayers facing hardship and the Shire must ensure equity in its debt collection processes.

Economic Implications

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

Environmental Implications

15. Nil.

RISK MANAGEMENT CONSIDERATIONS

16.

Risk	Likelihood	Consequence	Action/Strategy
The Shire is exposed to the potential risk of the ratepayer failing to make payments which it is obligated to do. This will result in the disruption of cash flows and increased collection costs.	Low	Low	Ensure debt collections is rigorously managed.

OFFICER COMMENT

17. Nil.

Voting Requirements: Simple Majority

RESOLVED OCM 207/2013

That Council:

1. Receives the rates debtors report for the period ended 30 November 2013 (Attachment 1).

Moved: **Cr Noreen Townsend**

Seconded: **Cr Dylan O'Connor**

Vote: **CARRIED UNANIMOUSLY (12/0)**

**SHIRE OF KALAMUNDA
SUMMARY OF OUTSTANDING RATES
For the Period ended 30 November 2013**

Rates Outstanding Debtors

	3rd Previous Year + Outstanding	2nd Previous Year Outstanding	Previous Year Outstanding	Current Outstanding	Total Outstanding	Previous Year Total Outstanding
31/07/2013	\$315,936	\$94,910	\$295,163	\$22,754,586	\$23,460,595	\$779,089
31/08/2013	\$313,756	\$91,341	\$223,784	\$14,084,885	\$14,713,766	\$22,398,443
30/09/2013	\$310,039	\$87,180	\$183,695	\$12,571,976	\$13,152,890	\$13,496,792
30/10/2013	\$309,076	\$83,444	\$165,097	\$10,113,059	\$10,670,676	\$12,802,377
30/11/2013	\$305,152	\$81,878	\$142,520	\$8,882,464	\$9,412,015	\$9,569,596
31/12/2013					\$0	
31/01/2014					\$0	
28/02/2014					\$0	
31/03/2014					\$0	
30/04/2014					\$0	
31/05/2014					\$0	
30/06/2014					\$0	
	\$1,553,960	\$438,752	\$1,010,260	\$68,406,970	\$10,670,676	

Rate Levied 2013/2014

Interim 2013/2014

\$28,416,654

Back Rates

\$0

\$2,797

Total Levies To Date for 2013/14

\$28,419,451

Total Rates Outstanding

10,670,676

Current Deferred Rates Amount (from Rate Reports)

\$ 463,579

Total Rates amount to be collected not including deferred

\$10,207,097

% of Rates Outstanding :

32.97%

Comment

The 2013/2014 Instalment Dates are as follows:

	4xinstalments	2xinstalments
1st Instalment	12/08/2013	12/08/2013
2nd Instalment	14/10/2013	16/12/2013
3rd Instalment	16/12/2013	
4th Instalment	10/02/2014	

Statistics as of 05/12/2013

12,004

Assessments - Paid in Full or who are in 'Credit' balance

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

10.4.3 Draft Monthly Financial Statements to 30 November 2013

Previous Items	N/A
Responsible Officer	Director Corporate Services
Service Area	Finance
File Reference	FIR-SRR-006
Applicant	N/A
Owner	N/A

Attachment 1	Draft Statements of Financial Activity for the five months to 30 November 2013 incorporating the following: <ul style="list-style-type: none">• Statement of Comprehensive Income by Program• Statement of Comprehensive Income by Nature and Type• Statement of Cash Flow• Statement of Financial Position• Statement of Financial Activity (Nature or Type)• Statement of Financial Activity (Statutory Reporting Program)• Net Current Funding Position, note to financial statement• Statement of Changes in Equity• Reserves – Cash / Investment Backed – note to financial statement• Investment Schedule – note to financial statement
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PURPOSE

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

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

BACKGROUND

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

3. As the 2012/2013 financial position is now audited, the opening funding position in the Statement of Financial Activity statement has now been changed to reflect the correct position.
4. Although the administration has completed its first budget review, the figures reported are based on the original budget position as the outcome of the review is awaiting approval by Council at its meeting on 16 December 2013.

DETAILS

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

Financial Commentary

Draft Statement of Comprehensive Income by Nature and Type for the five Months to 30 November 2013

6. This Statement reveals a net result of a surplus of \$21,841,940 against revised budget for the same period of \$20,850,737.

Revenue

7. Total Revenue is under budget by \$117,000. This is made up as follows:
 - Rates are under budget by \$354,498. The reason for the variance is due to timing. The raising of interim rates will normalise the situation over the coming months.
 - Operating Grants and Subsidies and Contributions, Reimbursements and Donations are over budget by \$271,854. This is a timing issue.
 - Fees and Charges variance is slightly under budget by \$6,939 and within the reporting threshold.
 - Interest earnings are slightly under budget by \$37,905 even though the current rates of return are within 3.0% and 3.5% as compared to the budget which was based on a 4.5% investment return basis. This is due to prudent investment decisions and strict cashflow management of Shire funds. The budget review has been adjusted downwards slightly to reflect the current rates of return.
8. Other Revenue is over budget by \$14,789, which mainly relates to infringements based on successful prosecutions for dog attacks. Most "Other Revenues" comprise of various fines and penalties which are difficult to predict.

Expenditure

9. Total expenses are under budget with a variance of \$1,907,488. The significant variances within the individual categories are as follows:
- Employment Costs are under budget by \$831,826 due to some vacant positions in various business units and the deferment of some key positions for six months to allow for the over-run on the verge collection costs in June 2013.
 - Materials and Contracts is under budget by \$653,602 largely due to:
 - October Council Elections bill from Western Australian Electoral Commission is pending reflected by under budget of \$107,000. The bill has finally been received in December and will be reflected in the next month's financials.
 - Contractor Waste and Verge Collection is under by \$204,755 mainly due to timing of invoices however, as the verge collection is a new service, the budget will be under review.
 - Programme expenditure for Community Care services is under by approximately \$263,403. This is due to the lower volume of services being delivered.
 - Utilities were under by \$254,964 which is due partially to an error in the community hall budget with a double up on the Pioneer Pavilion Hall worth \$86,953 and the rest is mainly due to delayed billing from Synergy on street lighting and operational accounts not received in this period. The adjustment will be corrected in the budget review.
 - Insurance expense is under by \$15,374 relating to lower worker's compensation insurance costs.
 - Other expenditure is over budget by \$40,683, which is primarily due to timing differences on project based expenditure and donations to community groups for various activities.
10. The interest expense is slightly under budget by \$7,084, which is the result of a timing difference between amounts accrued and the budget which is based on the debenture payment schedule.
11. Depreciation, although a non-cash cost, is tracking slightly under budget, reporting a small variance of \$185,321 or 1.8% of the total depreciation budget. The reasons for the variance are:
- Plant depreciation is down by \$59,000 which is mainly related to the revaluation exercise. An investigation will be conducted to determine the cause for the lower depreciation and changes will be brought into the 2nd budget review.
 - The other category is building depreciation which is due to some buildings assessed as impaired beyond use in the 2012/13 financials resulting in reduction of depreciation charge. The budget will be adjusted accordingly in the November Budget Review.

Non-Operating Grants

12. Non-Operating Grants are under budget by \$277,472 which is principally a timing issue. This component is made up of various infrastructure projects which are planned to commence later in the financial year. The majority relate to road grants with claims commencing shortly as Federal Assistance Grants Scheme and Main Roads Regional Grants claims are lodged. It is noted that the amounts budgeted for Black Spot funding, \$200,000, will need to be revised to nil in the November Budget Review as we have not been successful in receiving any monies this year.

Profit / (Loss) on Asset Disposals

13. The variance of \$500,319 relates primarily to property sales. There were no properties disposed of in the month of November. The ATO has refunded the excess GST of \$473,000 funds on the sale of Smokebush Estate lots which will be reflected in the December financials.

Draft Statement of Comprehensive Income by Program for the five Months to 30 November 2013

14. The overall result comments are as above and generally each Program is within accepted budget except for General Purpose Funding and Community Amenities. Major variances have been reported by Nature and Type under points 7 to 13 above.

Draft Statement of Financial Activity for the five Months to 30 November 2013

15. The results to 30 November 2013 discloses a closing surplus of \$26,866,626 made up of:
- Overall income, excluding rates, is under budget by \$262,957 with the bulk of the variance being grants and contributions, profit on asset disposal and interest earnings as previously explained in Point 7 of this report.
 - Expenditure is \$1,905,457 lower than forecast with the main variance in Employment Costs and Materials and Contracts. These have been commented on in Point 9 of this report.
 - Land Development for Edney Road/ Cygnet Court and Hale Road has not yet commenced in 2013/14, resulting in an underspend of \$1,161,916. It is understood that there have been delays on re-zoning and title issuance which will result in the projects being deferred to 2014/15. Adjustments will be made in the November Budget Review to reflect the revised status on land developments.
 - Infrastructure projects made up of roads and parks and ovals has incurred \$2,414,698 against budget of \$ 4,063,401.
 - \$622,171 unspent on land and building renewal budget. Part of this budget will be now treated as un-spent as the Shire reviews the work that was targeted for the Administration building.

- Rates generation is under budget and the variance of \$354,498 relates to timing of interim rates as explained previously in Point 7.
16. The Shire will undertake a review of its planned projects and initiatives in light of the announcement of the amalgamation and confirmation of grant funding attached to some of the projects.
17. The closing current position of \$26,866,626 is still above YTD budget of \$19,128,540, due to project based activities reflected above still in progress.

Draft Investments Schedule as at 30 November 2013

18. A total of \$38.9 million is in term deposits or online saving accounts. This represents a net decrease of \$1.28 million in cash deposits which can be related to the increase in expenditures exceeding collections from rates collection, fees and charges and monies received on behalf of Cell 9.
19. The above is made of:

Municipal Funds	Reserve Funds	Trust Monies
\$23,451,455	\$2,371,244	\$13,141,820 (includes amounts for Public Open Space of \$2,226,420)

20. Average interest rates on term deposits have dropped significantly as indicated previously with current investment rates dropping to between 3.0% and 3.50%. Reserve Bank of Australia ("RBA") cash rate is at 2.5% with a low probability of further rate cuts.
21. All deposits complied with the Investment Policy requirements and are no longer than 120 days.

Draft Statement of Financial Position as at 30 November 2013

22. The commentary on the Financial Position is based on comparison of the current month actuals against the previous month actuals.
23. Net Current Assets (Current Assets less Current Liabilities) show a positive result of \$26.86 million. The cash position has a positive position of \$23.45 million which is slightly lower when compared to the previous month's balance of \$24.95 million. This is due to the expenditures exceeding collections for rates and fees and will be the trend now for the coming months.
24. Trade and other receivables comprise of rates and sundry debtors totalling \$7.87 million outstanding.
- The rates balance has reduced by \$1.26 million in the month. This represents a collection rate of 68.5% to date. Debt collection strategies are being rigorously enforced to assist in collections.

-
25. Sundry debtors have increased by \$153,235 to \$794,014 outstanding. The main overdue sundry debtors are:
- Western Power \$7,695 for repairs on damaged storm water pipes. Additional details have been requested by the debtor to ascertain the validity of the liability; and
 - Lesmurdie Tennis Club \$28,112 being an overdue contribution for the clubhouse re-fit and extension. Additional works are being completed by the Shire in January which should be acceptable by the Club.
26. Fixed Assets additions are below budget by \$2,270,874 in both asset categories of Property, Plant and Equipment and Infrastructure asset category. Strategies will be put in place to improve the delivery of infrastructure projects.
27. Provisions for annual and long service leave are currently stable at \$2.2 million, with a slight difference from October 2013. The long term goal is to bring this liability down to a more manageable level.
28. Long term borrowings are at \$7.28 million. The Shire has no plans to extend its loan portfolio in 2013/2014.

2012/13 Year End Financial Statements Update

- 29.
- The year-end financials were signed off by the Chief Executive Officer on the 2nd of December 2013.
 - They were presented to the Audit Committee on the 9th December 2013 along with the responses from the administration on the management letters.
 - The statements will be presented to the Council for approval on the 16th December 2013.

STATUTORY AND LEGAL CONSIDERATIONS

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

POLICY CONSIDERATIONS

31. Nil.

COMMUNITY ENGAGEMENT REQUIREMENTS

32. Nil.

FINANCIAL CONSIDERATIONS

33. Nil.

STRATEGIC COMMUNITY PLAN

Strategic Planning Alignment

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

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

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

SUSTAINABILITY

Social Implications

35. Nil.

Economic Implications

36. Nil.

Environmental Implications

37. Nil.

RISK MANAGEMENT CONSIDERATIONS

38. The following risks have been considered:

Risk	Likelihood	Consequence	Action / Strategy
Over-spending the budget	Medium	Major	<ul style="list-style-type: none">Monthly management reports are reviewed by the Shire.Weekly engineering reports on major projects and maintenance. Reviewed by the Shire.
In-sufficient disclosure	Low	Major	<ul style="list-style-type: none">The financial report is scrutinized by the Shire to ensure that all statutory requirements are met.

OFFICER COMMENT

39. The Shire's draft financial statements as at 30 November 2013 demonstrate the Shire has managed its budget and financial resources effectively.

Voting Requirements: Simple Majority

RESOLVED OCM 208/2013

That Council:

1. Receives the draft monthly financial statements for the month to 30 November 2013, which comprises:
 - Statement of Comprehensive Income by Program.
 - Statement of Comprehensive Income by Nature and Type.
 - Statement of Cash Flow.
 - Statement of Financial Position.
 - Statement of Financial Activity (Nature or Type).
 - Statement of Financial Activity (Statutory Reporting Program).
 - Net Current Funding Position, note to financial statement.
 - Statement of Changes in Equity.
 - Reserves – Cash / Investment Backed - note to financial statement.
 - Investment Schedule – note to financial statement.

Moved: **Cr Margaret Thomas**

Seconded: **Cr Dylan O'Connor**

Vote: **CARRIED UNANIMOUSLY (12/0)**

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

10.4.4 Budget Review for Four Months to October 2013

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

PURPOSE

1. To allow Council to consider amendments to the 2013/2014 Adopted Budget as identified in the four months to 31 October 2013 budget review.

BACKGROUND

2. The Shire is required to review its budget against actuals during a financial year. The four months to 31 October 2013 budget review was undertaken in November 2013 and the findings are presented to assist elected members in their considerations.
3. The budget review for four months to 31 October 2013 is the first review undertaken in the current financial year. The main objective of regular budget reviews is to ensure that the Shire is closely monitoring its expenditure to mitigate the risk of the Shire posting a deficit at the end of this financial year. It also provides the opportunity to monitor and implement strategies to ensure the Shire's Current Ratio and Untied Cash to Unpaid Trade Creditors Ratio will be further improved upon for the year ending 30 June 2014.

DETAILS

Operating Surplus

4.

Summary of Movements			
Description	Original Budget	Proposed Revised Budget	Variance
	\$	\$	\$
Operating Revenue Excluding Rates	25,508,236	25,058,080	(450,156)
Operating Expenditure	(53,380,738)	(52,801,656)	579,082
Non Cash Movements	4,164,042	4,941,364	777,322
Capital Revenues	20,253,534	11,079,153	(9,174,381)
Capital Expenditure	(25,134,647)	(20,783,952)	4,350,695
Closing Surplus Position	2,226,076	1,326,149	(899,927)

5.

The Operating Surplus as per the Financial Activity Statement as at 31 October 2013 is \$30,088,520. This is in line with budget projections after the revenue from land sales for the Edney Road/Cygnnet Court and Hale Road projects are deferred. The Edney Road/ Cygnnet Court project is being rescheduled to 2014/2015 because of delays in receiving rezoning approvals.

6.

The surplus as at 31 October of \$30,088,520 will be utilised in the next seven months to fund the balance of Operational and Capital Expenditure leaving a revised estimated surplus of \$1,326,149 at the end of the financial year. The Shire will still need to keep tight control over income and expenditure to ensure a surplus is in place at 30 June 2014 to strengthen the Council's financial capacity and Reserves.

7.

Capital projects completed so far have mainly come within budget, with savings being used to fund other projects where scope has been widened or tended costs for capital contracts are coming in higher than budgeted.

The main changes are as follows: \$'000

Roads (New)

Abernethy Rd – Road component deferred 450
Sorensen Rd – New project added (92)

Roads (Renewal)

Baden Rd (359)
5 MRRG Roads Added (1,475)

Net Increase to Roads Projects (1,476)

The above increase is funded via (Main Roads Regional Grants) MRRG funding of \$985,867 and the rest via municipal funding.

These amounts are shown in (Attachment 4).

Reserve Account Adjustments

Land and Property Reserve

8. There has been an adjustment to the Land and Property Reserve with the net transfers from Reserve reducing by \$557,087 from the original budget position as a result of delays in obtaining West Australian Planning Commission approval on the Edney Road/Cygnet Court and Hale Rd developments.

The administration is recommending that building maintenance be funded partially from Municipal funds with less of a draw on the reserve. This will ensure that this particular reserve is maintained at a positive level.

EDP – IT Reserve

9. The reserve balance is higher by \$86,163 due to a higher opening balance and recomputed interest. These funds were surplus to operating requirements in 2012/2013 and essentially need to be set aside for future transfers should there be a requirement for the Shire to fund future IT based expenditure in the coming years.

Long Service Leave Reserve

10. Transfer to this reserve has been increased by \$64,073 to partially address the significant rise in Long Service Leave provision balance as per audited financial statement as at 30 June 2013.

The administration will be looking at reducing this exposure by implementing several strategies including a leave management strategy.

Environmental Reserve

11. Transfer to this reserve has been reduced by \$74,787 to reflect the reduction in profit from sales of the Edney Road/Cygnet Court and Hale Rd developments which has now been deferred to 2014/2015.
12. An amount of \$5,000 has been listed for additional transfers from the reserve to fund an additional on ground project named, "Rainbow Lorikeets and Corellas", as requested by the business unit.

Forrestfield Industrial Area Reserve

13. Transfers from this reserve have been increased by \$83,138 from \$50,138 to \$133,276 to reflect changes in the timing of project requirements for this financial year.

All Reserves

14. The opening balances have been revised to reflect the balances as per Audited Financial Statements as at 30 June 2013.
15. In light of this Budget Review all future Financial Reports presented to Council for adoption will include adjustments to the current Budget and amendments based on operations and new information.
16. (Attachment 1) being the amended Rates Setting Statement incorporates all the above mentioned proposed adjustments and reveals a balanced budget with a revised closing balance of \$3,032,399 reflecting a slight reduction from \$3,404,530 estimated when preparing the original budget.

STATUTORY AND LEGAL CONSIDERATIONS

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

POLICY CONSIDERATIONS

18. Nil.

COMMUNITY ENGAGEMENT REQUIREMENTS

19. Nil.

FINANCIAL CONSIDERATION

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

STRATEGIC COMMUNITY PLAN

Strategic Planning Alignment

21. *Kalamunda Advancing: Strategic Community Plan to 2023*
OBJECTIVE 6.8 – To ensure financial sustainability through the implementation of effective financial management, systems and plans.
Strategy 6.8.4 Provide effective financial services to support the Shire's operations and to meet sustainability planning, reporting and accountability requirements.

SUSTAINABILITY

Social Implications

22. Nil

Economic Implications

23. Nil

Environmental Implications

24. Nil

RISK MANAGEMENT CONSIDERATIONS

25.

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

OFFICER COMMENT

26. The amended Rate Setting Statement following the October budget review in Column 5 (2013/2014 Proposed Budget Review) reveals a balanced budget estimate for 30 June 2014 with a surplus of \$1,326,149.

27. It needs to be noted that the Reserves overall are still maintained at a high level albeit a slight decrease from \$3,404,530 to \$3,032,399 as shown in (Attachment 5).

28. The key to addressing the Shire's ongoing liquidity will be in its land sales, property rationalisation program and close monitoring of actual expenditure against budgets allocated.
29. It is critical that Council is committed to this strategy; otherwise significant decisions will need to be made about service reduction to maintain sustainability in the longer term and meet asset management requirements.
30. The administration is focussed on ensuring that the Shire returns a positive surplus and is constantly looking at improving its financial sustainability in line with the new ratios introduced.

Repayment of Overdraft Facility

31. An overdraft facility of up to \$1.5 million dollars was established in May 2011 to facilitate the development of the East Welshpool Road land known as Smokebush Estate.
32. The last remaining lots were sold in September 2012 and the outstanding overdraft of \$969,975 was repaid in October 2012.
33. Currently the overdraft balance stands at \$nil.
34. The budget review has recognised that this facility would be used in the later course of the year to fund the Edney Road/Cygnnet Court development to the amount of \$1.2 million. With the delay in planning approvals, the administration does not believe it will need to use this facility in 2013/2014.

Voting Requirements: Absolute Majority

RESOLVED OCM 209/2013

That Council:

1. Notes the 2013/2014 Budget Review Explanation and Summary (Attachment 4) be noted.
2. Pursuant to Section 6.8 (1) (b) of the *Local Government Act 1995*, authorises the Chief Executive Officer to amend the 2013/2014 current budget to reflect the changes summarised in the Amended Rates Setting Statement (Attachment 1).

3. Pursuant to Section 6.16 (2) (a) of the *Local Government Act 1995*, approves the imposition of new fees and charges for the facility known as, "Foothills Netball Recreation Centre":

- Court hire \$8.50 per hour
- Function Hourly rate \$65.00
- Commercial Hourly rate \$25.00
- Community Group Hourly rate \$20.00.

Moved: **Cr Margaret Thomas**

Seconded: **Cr Dylan O'Connor**

Vote: **CARRIED UNANIMOUSLY/ABSOLUTE MAJORITY (12/0)**

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

10.4.5 Adoption of Annual Report 2012/2013

Previous Items	N/A
Responsible Officer	Chief Executive Officer
Service Area	Office of the Chief Executive Officer
File Reference	FI-SRR-005
Applicant	N/A
Owner	N/A

[Attachment 1](#)

[Draft 2012/2013 Annual Report](#)

PURPOSE

1. To accept the 2013 Annual Report and set the date for the Annual General Meeting of Electors.

BACKGROUND

2. The *Local Government Act 1995* (the "Act") Section 5.53 requires a local government to prepare an Annual Report for each financial year and details what the Annual Report is to contain.
3. Section 5.54 of the Act requires a local government to accept the Annual Report for a financial year no later than 31 December in the year after that financial year, subject to the availability of the Auditor's Report.
4. Section 5.55 of the Act requires the Chief Executive Officer to give local public notice of the availability of the Annual Report as soon as practicable after the Annual Report has been accepted by the local government
5. Section 5.27 of the Act requires that a general meeting of the electors of a district is to be held once every financial year.

DETAILS

6. The Draft 2013 Annual Report is presented as ([Attachment 1](#)) for the Council's acceptance.

STATUTORY AND LEGAL CONSIDERATIONS

7. The Draft 2013 Annual Report is in compliance with Sections 5.53 and 5.54 of the Act.
8. Section 5.27(2) of the Act requires that the Annual General Meeting of Electors is required to be held within 56 days of acceptance of the Annual Report.

POLICY CONSIDERATIONS

9. There are no policy implications.

COMMUNITY ENGAGEMENT REQUIREMENTS

10. Although no community engagement consultation is required in the preparation of the Annual Report, Section 5.55 of the Act requires that the Chief Executive Officer give local public notice of the availability of the annual Report as soon as practicable after the Annual Report has been accepted by the local government.

FINANCIAL CONSIDERATION

11. The 2013/2014 Budget includes provision for the cost of producing the Annual Report for statutory and public distribution.

STRATEGIC COMMUNITY PLAN

Strategic Planning Alignment

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

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

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

SUSTAINABILITY

Social Implications

13. Nil.

Economic Implications

14. Nil.

Environmental Implications

15. Nil.

RISK MANAGEMENT CONSIDERATIONS

- 16.
- | Risk | Likelihood | Consequence | Action/Strategy |
|--|------------|-------------|---|
| The Annual Report is not adopted as required by the Act. | Low | Low | Ensure the Annual Report is prepared in time to meet the legislative requirements.. |

OFFICER COMMENT

17. Whilst Section 5.53 of the Act stipulates the content of the Annual Report which is to be accepted by Council and utilised for statutory purposes, it is permissible to produce a modified version of the Annual Report for general community distribution.
18. A modified version of the Annual Report involves the inclusion of an abridged version of the financial statements, thereby reducing significantly the size of the Annual Report and, consequently, printing costs
19. The abridged financial statements include:
- Statement of Comprehensive Income by Nature and Type
 - Statement of Comprehensive Income by Program
 - Statement on Financial Position
 - Statement of Changes in Equity
 - Cash Flow Statement
 - Rate Setting Statement
20. As the Act requires that the Annual General Meeting (AGM) of Electors is required to be held within 56 days of acceptance of the Annual Report, it is proposed that the Annual General Meeting of Electors be held on Monday 10 February 2014 at 6.15pm
21. Whilst the Development & Infrastructure Services Committee meeting is scheduled for 6.30pm on this night, the timing of previous AGM's should mean that the committee meeting will not be impacted.

A revised version of the Draft Annual Report was provided at the meeting for consideration.

Voting Requirements: Absolute Majority

RESOLVED OCM 210/2013

That Council:

1. Pursuant to Section 5.54 of the *Local Government Act 1995*, accepts the 2013 Annual Report ([Attachment 1](#)).
2. Endorses the production of a modified version of the 2013 Annual Report, containing an abridged set of financial statements, for general community distribution.
3. Agrees that the Annual General Meeting of Electors be held on Monday 10 February 2014, commencing at 6.15pm.
4. Request the Chief Executive Officer to ensure the Annual Financial Statements are forwarded to the Department of Local Government & Communities before the due date required.

Moved: **Cr Margaret Thomas**

Seconded: **Cr Dylan O'Connor**

Vote: **CARRIED UNANIMOUSLY/ABSOLUTE MAJORITY (12/0)**

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

10.4.6 Objection to the Issuing of a Notice of Breach – Lots 83 (30) and Lot 84 (28) Prospect Crescent, Kalamunda

Previous Items	N/A
Responsible Officer	Director Development Services
Service Area	Development Services
File Reference	PR-09/028; PR-09/030; LK-01/015
Applicants	M M McLean & R Trawnitschek
Owners	Rolf Trawnitschek – Lot 84 (28) Prospect Crescent, Kalamunda Malcolm McLean – Lot 83(30) Prospect Crescent, Kalamunda
Attachment 1	Notices of Objection
Confidential	Samec Legal Advice – Confidential in accordance with <i>Clause 5.23(2)(d) of the Local Government Act 1995</i>
Attachment 2	
Confidential	McLeods Legal Advice - Confidential in accordance with <i>Clause 5.23(2)(d) of the Local Government Act 1995</i>
Attachment 3	
Confidential	McLeods Legal Advice - Confidential in accordance with <i>Clause 5.23(2)(d) of the Local Government Act 1995</i>
Attachment 4	

PURPOSE

- To consider two objections in relation to the issuing of a Notices of Breach pertaining to a rear boundary fence between Lot 84 (28), Lot 83 (30) Prospect Crescent Kalamunda, and Lot 81 (15) Lookout Road, Kalamunda.

BACKGROUND

2. Land Details: Lot 84 (28) Prospect Crescent, Kalamunda

Land Area:	2066m ²
Local Planning Scheme Zone:	Residential - R5
Metropolitan Regional Scheme Zone:	Urban

3. Lot 83 (30) Prospect Crescent, Kalamunda

Land Area:	2161m ²
Local Planning Scheme Zone:	Residential - R5
Metropolitan Regional Scheme Zone:	Urban

4. **Lot 81 (15) Lookout Road, Kalamunda**

Land Area:	2098m ²
Local Planning Scheme Zone:	Residential - R5
Metropolitan Regional Scheme Zone:	Urban

5. **Locality Plan**

5.



6.



7. In September 2011 the owner of Lot 83 wrote on behalf of him and his neighbour at Lot 84, to the owners of Lot 15 to advise them of the intention to construct a 1.8m high solid colorbond fence along their common lot rear boundary. The owners of Lot 83 were subsequently advised by a person acting for the owners of Lot 15 that the owners were currently overseas and that they wished to discuss the proposal upon their return in November 2011.
8. A colorbond fence was subsequently erected by the owners of Lots 83 and 84 whilst the owners of Lot 15 remained overseas.
9. In late November 2011, the owners of Lot 15 wrote to the Shire objecting to the erection of the fence without their agreement. The basis of their objection was as follows:
- uneven height of the fence;
 - the excessive height of the fence when measured above the lower level; and
 - the new fence not complying with the *Shire's Fencing Local Law* (the local law) definition of a sufficient fence.
10. In December 2011 Shire officers met with the owner of Lot 83 on site to discuss the matter of the fence. Based on the Shire's understanding of the local law at that time the owner was advised that no approval was required for the fence as it was considered to be compliant as it exceeded the requirements for a sufficient fence under the local law. The Shire subsequently wrote to the owner of Lot 15 advising that the fence conformed to the Shires requirements.

11. In August 2012, legal advice was received from a solicitor acting for the owners of Lot 15 stating that the fence as constructed does not comply with the Shire's local law for a property zoned R5. Moreover, the Shire had been interpreting the local law incorrectly in situations where a neighbour wishes to construct a fence of a higher quality to that defined as a sufficient fence (refer Attachment 2).
12. In January 2013, the Shire sought legal advice in response to the above claim and found as a matter of law, the legal advice received was correct (refer Attachment 3). The requirements of the local law for land zoned R5 are that a person shall not erect a boundary fence that is not a sufficient fence, unless all the landowners of the adjoining land also make an application for approval. Where such an application has been made, the Shire has the discretion to approve a fence other than a sufficient fence. The minimum standard for a sufficient fence as described in Schedule 1 of the local law is a wire mesh rail-less fence with steel posts.
13. In September 2013 following discussions with the owners of the Lots 83 and 84, the Shire issued a Notice of Breach pursuant to the local law. Both owners have now exercised their right of review to Council.

DETAILS

14. The owners of Lots 83 and 84 have lodged an objection to the issuing of a Notice of Breach to the Shire under *Section 9.5 of the Local Government Act*.
15. The grounds of objection to the issuing of the Notice of Breach are listed in Attachment 1. For the purpose of this report, the objections are summarised as follows:
 - The definition of a sufficient fence under the local law is not a sole requirement.
 - The above interpretation is consistent with the Shire's "Fencing" and "Minor and Incidental Structures" Information Sheets.
 - The Fencing information sheet notes that landowners erecting a fence of a higher standard than a sufficient fence without obtaining the approval of the adjoining landowner, can only claim half the cost of erecting the sufficient fence.
 - The fence is for privacy purposes.
 - The fence has not blocked the views of the owner of Lot 15 Lookout Road.

STATUTORY AND LEGAL CONSIDERATIONS

16. The *Dividing Fences Act 1961* details the process when a sufficient fence, as defined by a local authority's Fencing Local Law, is to be constructed and cost sharing is being sought. The Shires *Fencing Local Law* defines a sufficient fence, and the procedures involved with constructing a fence other than a sufficient fence.

-
17. Under Schedule 1 of the local law a sufficient fence for land zoned R5 or R2.5, or having an area of 2,000sqm is as follows:
- “A sufficient fence shall be defined as a 1 metre high, 2.5mm wire mesh rail-less fence with steel poles at a maximum 3 metre spacing, terminal posts to be braced with a diagonal brace in the line of the fence.”*
18. Discretion to approve a fence other than a sufficient fence is dealt with under clause 2.1(1) and 3.4(1) of the local law. Clause 2.1(1) prohibits a person from erecting a fence which that is not a sufficient fence. Clause 3.4(1) however provides discretion where all landowners of land which adjoin the lot boundary make an application for approval. Further legal advice was sought regarding the correct interpretation of Clause 2.1 (Attachment 4)
19. Under Clause 7.1(1) of the local law, failure to comply with a Notice of Breach is liable upon conviction to a maximum penalty of \$5,000 and if the offence continues a daily penalty of \$500.
20. Under Section 9.5 and 9.6(1) of the *Local Government Act 1995* (the Act) a person whom a Notice of Breach has been served may lodge an objection to the Council. Under Section 9.7 of the Act the affected person may apply to the State Administrative Tribunal for a review of a decision.

POLICY CONSIDERATIONS

21. In light of the matter before Council, consideration will be given to reviewing the local law.

COMMUNITY ENGAGEMENT REQUIREMENTS

22. Nil.

FINANCIAL CONSIDERATIONS

23. The cost associated with seeking legal advice were provided for in the Development Services budget 2012/13.

STRATEGIC COMMUNITY PLAN

Strategic Planning Alignment

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

OBJECTIVE 4.1 – To ensure the Shire’s development is in accord with the Shire’s statutory and legislative obligations and accepted urban design planning standards.

Strategy 4.3.1 Provide efficient building and development approval services to the community.

Strategy 4.3.2 Undertake efficient monitoring and compliance of building developments within the Shire.

SUSTAINABILITY

Social Implications

25. The applicants cite a need for privacy necessitating the need for a 1.8m high solid fence. The complainants state a loss of amenity and enjoyment of commanding views to the coastal plains.

Economic Implications

26. Nil.

Environmental Implications

27. Nil.

RISK MANAGEMENT CONSIDERATIONS

- 28.

Risk	Likelihood	Consequence	Action/Strategy
Council may support the Objection and not require the fence to be removed.	Unlikely	Major	Ensure Council is aware that under the Fencing Local Law there is no discretion to approve the fence unless approval has been obtained from adjoining landowners.

OFFICER COMMENT

29. In respect to the objections raised, the advice contained in the information sheet on Fences and the Minor and Incidental Structures was reflective of the Shire's understanding of the local law at that time. In light of the legal advice received by the Shire on the matter, the respective information sheets have been removed and will be modified.
30. Acknowledging the concerns in respect to privacy and potential overlooking from Lot 15, there must however be agreement and approval obtained from the adjoining landowner before, in this instance, a solid fence is erected.
31. From the legal advice received by the Shire on this matter it is evident that the effect of clause 2.1(1) of the local law when read in conjunction with clause 3.4(1) is to prohibit the erection of a fence other than a sufficient fence. There is some general discretion to this, where the adjoining landowner's approval is obtained. In this instance however, the colorbond fence was erected by the owners of Lots 83 and 84 without the approval of the owner of Lot 15.

32. Despite the Shire's previous misinterpretation of the local law due to this clause, unless approval is obtained from all adjoining landowners to erect a fence other than a sufficient fence, Council has no discretion to approve the fence.
33. *The Dividing Fences Act 1961* only deals with the procedures required to be adopted where a sufficient fence is to be erected and neighbours are being compelled to contribute.
34. The issue of fencing in residential areas and the interpretation under the local law has as a result of this matter been the subject of considerable discussion. It is noted that solid colorbond fencing is found throughout the Shire on residential zone land, which may reflect community consensus on this form of fencing in some circumstances.
35. As a consequence of the legal advice received it is considered that the objection should be dismissed. If Council resolves to dismiss the objection under the Local Government Act, a right of review exists to the State Administrative Tribunal if the applicants are aggrieved by Council's decision.

This report was considered at Point 15 to allow discussion on the legal advice obtained and presented as Confidential Attachments 2, 3 and 4.

*The Officer Recommendation did not receive a mover and **LAPSED**.*

Voting Requirements: Simple Majority

OFFICER RECOMMENDATION

That Council:

1. Dismisses the Objection under Section 9.5 of the *Local Government Act 1995* pertaining to the two (2) Notices of Breach issued in relation to the fence constructed within Lot 84 (28) Prospect Crescent, Kalamunda and Lot 83 (30) Prospect Crescent, Kalamunda adjacent to the rear boundary of Lot 81 (15) Lookout Road, Kalamunda.
2. Notes the original Notice of Breach requiring the owners of Lot 84 (28) Prospect Crescent, Kalamunda and Lot 83 (30) Prospect Crescent, Kalamunda that the Colorbond fence constructed within Lot 84 (28) Prospect Crescent, Kalamunda and Lot 83 (30) Prospect Crescent, Kalamunda adjacent to the rear boundary of Lot 81 (15) Lookout Road, Kalamunda to remove the fence.

Moved:

Seconded:

Vote: **LAPSED**

An alternative motion was moved and seconded before a vote was called.

RESOLVED OCM 216 /2013

That Council:

1. Dismisses the Objection under Section 9.5 of the *Local Government Act 1995* pertaining to the two (2) Notices of Breach issued in relation to the fence constructed within Lot 84 (28) Prospect Crescent, Kalamunda and Lot 83 (30) Prospect Crescent, Kalamunda adjacent to the rear boundary of Lot 81 (15) Lookout Road, Kalamunda.

Moved: **Cr Simon Di Rosso**

Seconded: **Cr Margaret Thomas**

Vote: For
Cr Frank Lindsey
Cr Justin Whitten
Cr Bob Emery
Cr Simon Di Rosso
Cr Margaret Thomas
Cr Sue Bilich

Against
Cr John Giardina
Cr Geoff Stallard
Cr Allan Morton
Cr Noreen Townsend
Cr Andrew Waddell
Cr Dylan O'Connor

6/6

As the vote was 6/6 the Chairman in accordance with Section 5.21 (3) of the Local Government Act 1995 exercised her right to cast a second vote. The Presiding Person cast her second vote for the Recommendation; the motion was therefore carried 6/6.

CARRIED (7/6)

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

10.4.7 Forrestfield/High Wycombe Industrial Area Stage 1 – Adoption of Developer Contribution Rate

Previous Items	OCM183/2012
Responsible Officer	Director Development Services
Service Area	Development Services
File Reference	PG-STU-028
Applicant	N/A
Owner	Various

Attachment 1	Schedule 12 – Developer Contribution items
Attachment 2	Adopted Local Structure Plan Stage 1
Attachment 3	Breakdown of Infrastructure Costs
Attachment 4	Developer Contribution Cost Schedule

PURPOSE

- To consider the adoption of a new Developer Contribution Rate for the Forrestfield/High Wycombe Industrial Area – Stage 1, to apply from 16 December 2013.

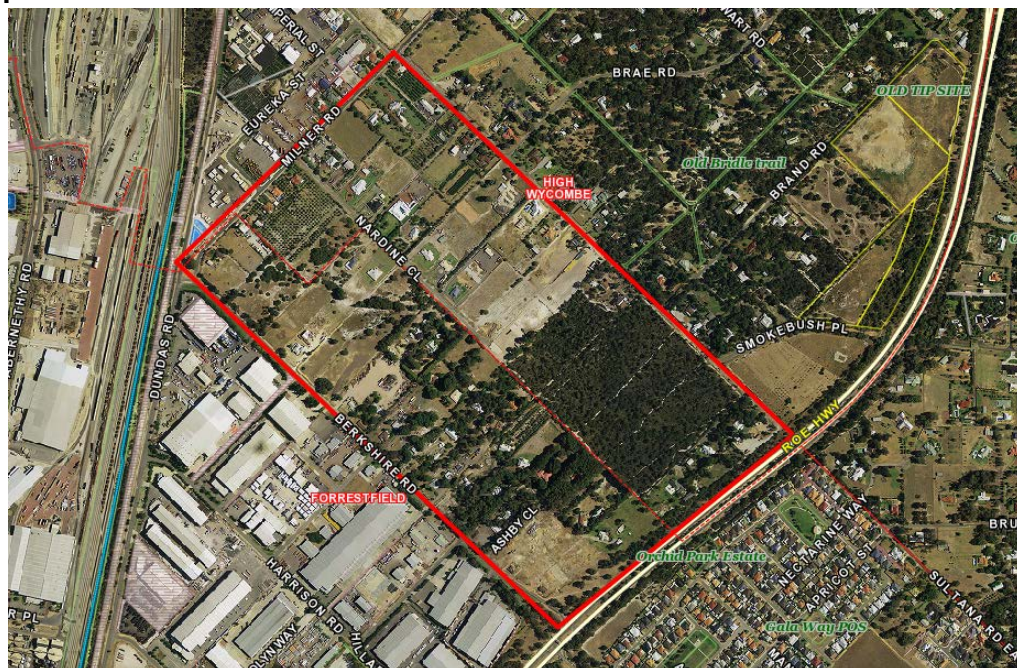
BACKGROUND

- Land Details:**

Local Planning Scheme Zone:	Industrial Development
Metropolitan Regional Scheme Zone:	Urban

Locality Plan

-



-
4. Stage 1 of the Forrestfield/High Wycombe Industrial Area comprises 63 lots with multiple landowners. Refer Attachment 1 Locality Plan.
 5. In November 2011, the Minister for Planning approved Amendment No.34 to Local Planning Scheme No.3 (the "scheme") to rezone the land bounded by Berkshire Road, Roe Highway, Sultana Road West and Milner Road, with the exception of Lots 497,498 and 499 Sultana Road West and a portion of Lots 1 and 2 Sultana Road West, Forrestfield, from Special Rural to Industrial Development. The subject area represents Stage 1 of the proposed Forrestfield/High Wycombe Industrial Area.
 6. In July 2012, Council resolved to endorse a Structure Plan for Stage 1 of the Forrestfield/High Wycombe Industrial Area, which, amongst other matters, identifies the developer contribution items relevant to the structure planning area.
 7. In August 2012, Council resolved to adopt Amendment No.48 to the Scheme, which included the following:
 - Provisions to administer the Developer Contribution Scheme (DCS) under Clause 6.5 and Schedule 11 of the Scheme; and
 - Infrastructure and administration items for the DCS inserted under Schedule 12 of the Scheme (refer Attachment 1).

The amendment was approved by the Minister for Planning in April 2013.

8. In December 2012, Council resolved to adopt a Developer Contribution rate of \$23.03 plus GST / m² for Stage 1 of the Forrestfield/High Wycombe Industrial Area.
9. In February 2013, the Local Structure Plan for Stage 1 was endorsed by the WA Planning Commission subject to a number of modifications including the existing Notation C for Lots 5, 6 and 8 Ashby Close and Lots 50, 51 and 52 Sultana Road West being replaced with the following:

Notation C denotes that single or shared battle-axe legs are not permitted to service industrial development on existing Lots 50,51 and 52 Sultana Road west and Lots 5,6 and 8 Ashby Close. Approval to non-residential development is contingent on securing direct access to a constructed public road.
10. Prior to properties being redeveloped and/or amalgamated, landowners within the development area will be required to make a proportional contribution to the cost of common infrastructure such as road upgrades and modifications, land acquisition for road reserves, dual use paths and administration costs of the sharing arrangements.

DETAILS

11. Council is requested to consider adopting a new developer contribution rate of \$28.49 plus GST/m² for Stage 1 of the Forrestfield/High Wycombe Industrial Area. This rate replaces the previous rate adopted by Council of \$23.03.
12. In November 2013, Savills Australia undertook a valuation of land required to be purchased by the Scheme for road reserves. The report recommended that a land valuation rate of \$275.00 be adopted. The previous land valuation rate was \$250/m².
13. The following is a summary of the projected infrastructure cost estimates for Stage 1 of the Forrestfield/High Wycombe Industrial Area:

Infrastructure item	Preliminary Improvement Cost Estimate
Berkshire Road	\$650,468
Dundas Road	\$594,092
Milner Road	\$1,057,661
Nardine Close	\$5,557,423
New Road (Nardine/Berkshire)	\$3,155,232
Ashby Close	\$1,682,476
Sultana Road West	\$2,159,743
New Road 2A (Ashby)	\$2,225,957
Bush Forever Lots	\$88,687
Civil Engineering Fees	\$125,000
Consultancy costs associated with development of the Industrial Area framework	\$150,000
Contingency costs to accommodate service relocation	\$1,950,000
Gross Lot Area	680,851/m ²
Total Projected Infrastructure Cost Estimate	\$19,396,748
Contribution Rate \$/m²	\$28.49

14. The costs to administer the DCS are incorporated as a percentage of the total road cost.

15. The preliminary cost estimates in respect to land acquisition included in the above total cost estimate figure is as follows:

Land required for Road Reserve	17,310sqm
Preliminary cost	\$7,232,700

16. The principal cost estimates include the following:

- Land acquisition for all new roads and widening where required.
- The extension of Nadine Close through to Ashby Close.
- The creation of a new road linking Nardine Close and Berkshire Road.
- The creation of new roads extending off Ashby Close and Sultana Road West.
- The upgrading of the Berkshire Road and Ashby Close intersection.
- The closure of Milner Road at the intersection with Berkshire Road.
- The upgrading of the Berkshire and Dundas Road intersection.
- Widening of the carriage way along Berkshire Road, Milner Road, Nadine Close and Sultana Road West.
- Relocation of services such as power poles and underground services.
- The provision of drainage swales within all existing and proposed new roads and the relocation of the existing drainage pits.
- Provision of pedestrian footpaths and dedicated cycle lanes where appropriate.
- Provision of street trees to all existing and proposed new roads and the construction of two landscaped entry statements on Berkshire Road.

17. The cost estimates do not include any provision to assist with the upgrading of the Berkshire Road and Roe Highway intersection and the provision of public utilities to Stage 1. A breakdown of the infrastructure costs are shown in (Attachment 3).
18. The apportionment of the infrastructure costs on a per lot basis are shown on the Developer Contribution Cost Schedule (refer Attachment 4).

STATUTORY AND LEGAL CONSIDERATIONS

19. Scheme amendment 48 has introduced provisions under Clause 6.5 (Development Contribution Areas) of the Scheme by which the Shire can administer the DCS for Stage 1. The amendment has also introduced under Schedule 12 of the DCS common infrastructure items which all landowners within the Development Control Area make a proportional contribution to the cost of the works.
20. State Planning Policy 3.6 Developer Contributions for Infrastructure establishes the principles and considerations that apply to development contributions for the provision of infrastructure in new and established urban areas.

POLICY CONSIDERATIONS

21. The Forrestfield/High Wycombe Industrial Area has been identified as a strategically important industrial area for both State and Local government. As such the area has been identified under the *Economic and Employment Lands Strategy – non heavy industry April 2012*.

COMMUNITY ENGAGEMENT REQUIREMENTS

22. Landowners will be notified of Council resolution regarding the adoption of the new developer contribution rate.

FINANCIAL CONSIDERATIONS

23. The Developer Contribution Scheme for Stage 1 of the Forrestfield/high Wycombe Industrial Area will be cost neutral to the Shire.
24. The cost of the Shire to administer the DCS is met through the developer contributions.

STRATEGIC COMMUNITY PLAN

Strategic Planning Alignment

25. *Kalamunda Advancing: Strategic Community Plan to 2023:*
- 5.1.3 – Encourage new commercial development to locate in the Shire to provide local employment opportunities for knowledge workers living within the Shire.*
- 5.1.4 – Promote the Shires new industrial land releases as a hub for high tech or resource sector investment.*

SUSTAINABILITY

Social Implications

26. Infrastructure needs to be carefully designed, costed and ultimately delivered to ensure that social impacts are minimised and that benefits are maximised.

Economic Implications

27. Annual reviews of the DCS are essentially to ensure increased costs or changes to items of infrastructure are accounted for. If the new developer contribution rate is not adopted, this may result in insufficient income from developer contributions to meet infrastructure expenditure.

Environmental Implications

28. The cost estimates include the provision of new fencing along the Nadine Close extension and Sultana Road West frontages adjacent to the Bush Forever lots. The new fencing will afford the environmentally significant site a greater level of protection.

RISK MANAGEMENT CONSIDERATIONS

29.

Risk	Likelihood	Consequence	Action/Strategy
That Council does not endorse the new contribution rate	Unlikely	Critical	Ensure Council is fully aware that adoption of the new rate is critical to ensure contributions received are sufficient to meet the expenditure associated with infrastructure and land acquisition costs.

OFFICER COMMENT

30. The increase in the developer contribution rate from \$23.039/m² to \$28.49/m² is due to a number of factors, namely:
- An increase in land values in the area from \$250.00/m² to \$275.00/m².
 - The inclusion of Road 2A and 2B as Scheme roads in accordance with the adopted Local Structure Plan. In the event that Lots 4, 5 and 6 Ashby Close and Lots 50, 51 and 52 are amalgamated onto on single title then the costs associated with the land acquisition and construction of the roads will not be required.
 - Increased contingency costs associated with the relocation of services resulting from road widening and modifications to road intersections.
31. In respect to the last dot point, the Shire has engaged consulting engineers to provide detailed design drawings for all new roads and drainage and the upgrading of new roads, drainage and intersections. The designs have revealed an additional number of services i.e. power poles, gas lines that will have to be relocated. These designs are now complete and are being costed for inclusion in the next review of the DCS. For the purpose of this review an appropriate contingency has been included to cover the costs.
32. When the projected costs have been finalised any resulting change to the developer contribution rate will be brought to Council for consideration. It is anticipated that the costs will be finalised by February/March 2014.

33. To date only one contribution payment has been received by the DCS. It is anticipated however that additional payments will be received over the coming months which will assist with the current cash flow which is very poor at present.
34. There have been a number of land sales in Stage 1. However, only one development has commenced construction on site. The Shire has approved two other developments; however these have yet to proceed to the building license stage.
35. Importantly, without the appropriate cash flow, the DCS cannot acquire land to enable Scheme roads and drainage to be constructed. The construction of the road and drainage infrastructure is critical in ensuring the industrial area is developed in a timely manner.
36. In light of the above, it is recommended the new Developer Contribution Rate of \$28.49 plus GST/m² be adopted.

Voting Requirements: Simple Majority

RESOLVED OCM 211/2013

That Council:

1. Adopt the Developer Contribution Rate of \$28.49 plus GST/m² for Stage 1 of the Forrestfield/High Wycombe Industrial Area effective from 17 December 2013.
2. Notify all landowners of the new adopted Developer Contribution Rate.

Moved: **Cr Dylan O'Connor**

Seconded: **Cr Andrew Waddell**

Vote: **CARRIED UNANIMOUSLY (12/0)**

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

10.4.8 Lot 213 (28) Lewis Road, Wattle Grove – Amendment to Local Planning Scheme No. 3 – Additional Use

Previous Items	Nil
Responsible Officer	Director Development Services
Service Area	Development Services
File Reference	LW-04/028
Applicant	Fount of Life Outreach Ministries Inc.
Owner	K & L Gorman
Attachment 1	Applicant's submission

PURPOSE

1. To consider a proposal to initiate an Amendment to Local Planning Scheme No. 3 (the Scheme) to include in Schedule 2 – Additional Uses the following Uses:
 - Place of Worship
 - Chalet
 - Community Purpose

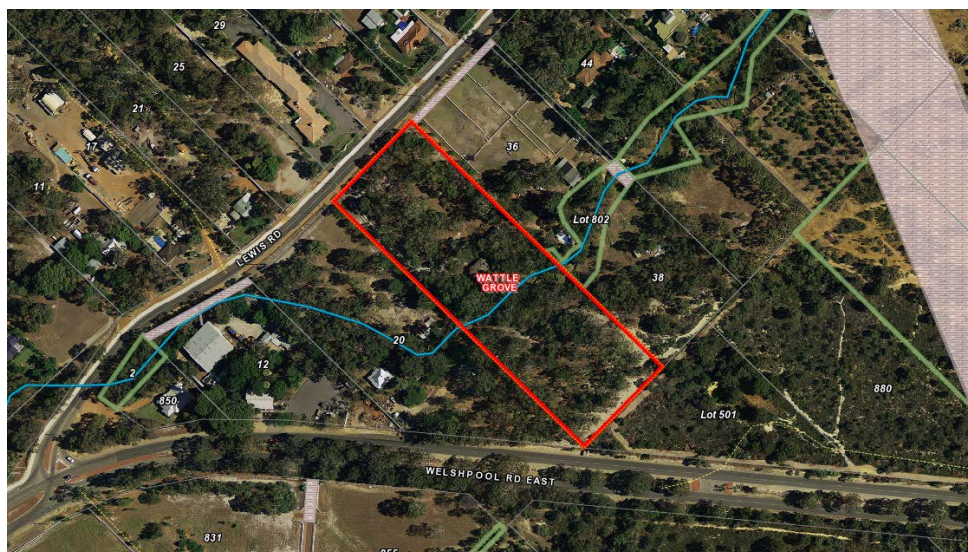
BACKGROUND

2. Land Details:

Land Area:	20082 m ²
Local Planning Scheme Zone:	Special Rural
Metropolitan Regional Scheme Zone:	Rural

Locality Plan

3.



DETAILS

4. The applicant seeks to amend the Scheme to allow for a number of land use activities related to community development. Under the Scheme a Community Purpose is defined as:

“Means the use of premises designed or adapted primarily for the provision of educational, social or recreational facilities or services by organisations involved in activities for community benefit”.

5. The applicant advises that they wish to establish the following activities:

Bethel Conference, learning and Worship Centre

The conference centre would be used for the purpose of community development based on social issues. The uses would include conference and counselling facilities for community organisations such as Drug Arm, Life Line, Beyond Blue, Diabetes WA, YMCA etc.

The Centre would also be used as a Place of Worship.

Grace Lodge

Short term stay (limited to 3 months) for people going through a difficult time who may require emotional, physical and mental support. The chalets would only be used by people associated with the Conference and Learning Centre and assessed for support if needed through external bodies. As such, the chalets would not be used for tourist uses or be available to the public at large.

Eden Nursery

This would supply food to the community café which in turn would supply food to the on-site café and people at the Grace Lodge and Bethel Conference Centre.

This will also include a “petting farm” with domestic animals (chickens, goats, pigs etc.) to be used by visitors to the site associated with the Bethel Conference Centre.

Manna Café

This would involve the development of a commercial kitchen and dining room to be used by persons using the services of Grace Lodge and Bethel Conference Centre. It would also be used for community education purposes to teach people food and nutrition skills.

6. Essentially the uses would be limited to those persons associated with the Ministries and not to the broader public.

STATUTORY AND LEGAL CONSIDERATIONS

7. The Town Planning Regulations 1967 and Planning and Development Act 2005 establish procedures relating to amendments to local planning schemes. If Council resolves to adopt the amendment, then ultimately it will be determined by the Minister for Planning.

POLICY CONSIDERATIONS

8. Nil.

COMMUNITY ENGAGEMENT REQUIREMENTS

9. If the amendment is initiated by Council, it would be formally advertised for 42 days in accordance with the provisions of the *Town Planning Regulations* and *Planning and Development Act 2005*.
10. The amendment would be required to be advertised in the form of a notice being published in a district newspaper. A sign advertising the proposal would also be required to be erected on the site and nearby and affected land owners would be contacted in writing.

FINANCIAL CONSIDERATIONS

11. Costs associated with the processing of the amendment, including advertising and officer time will be recouped in accordance with the adopted budget.

STRATEGIC COMMUNITY PLAN

Strategic Planning Alignment

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

Objective 1.8 - To support local community groups to grow, prosper and shape the future of Kalamunda.

Strategies

1.8.1 Provide leadership and assistance to local community groups and organisations.

1.8.3 Proactively investigate opportunities that facilitate the establishment and/or growth of local community groups.

1.8.4 Support and encourage opportunities to increase volunteering within the Shire.

SUSTAINABILITY

Social Implications

13. The applicant currently provides charitable and not for profit activities in Forrestfield and High Wycombe which would be replicated at the subject site should the amendment proceed.

Economic Implications

14. Nil.

Environmental Implications

15. Nil at this stage. There is remnant vegetation and a water course traversing the site. Any development as a consequence of the amendment should it proceed, will need to have due regard to the natural environment.

RISK MANAGEMENT CONSIDERATIONS

- 16.

Risk	Likelihood	Consequence	Action/Strategy
Council will not initiate the amendment	Possible	Minor	If Council does not initiate the amendment it is open to the applicant to re-submit the proposal.

OFFICER COMMENT

17. Whilst the applicant has requested the scheme be amended to allow a "community purpose", the Shire believes it appropriate to also define "Place of Worship" and "Chalets" as discretionary uses to give more certainty to the proposal.
18. With the exception of the short stay accommodation use, the proposed uses are fundamentally currently undertaken by the applicant in the Shire of Kalamunda. The intent is to consolidate these uses on one site.
19. Officers assessed and determined that as the "café" component is not open to the general public for use it should be considered as a kitchen in any other place of worship, which is used for incidental preparation and serving of food.
20. The uses are considered to be compatible within the rural environs in which the subject site is located. If development occurs as anticipated by the amendment, it is unlikely to have a detrimental impact of future strategic planning of the locality. It is recommended that Council initiate the amendment.

Voting Requirements: Simple Majority

RESOLVED OCM 212/2013

That Council:

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

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

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

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

NO.	DESCRIPTION OF LAND	ADDITIONAL USE	CONDITIONS
A2	Lot 213 Lewis Road, Wattle Grove	Community Purpose Place of Worship Chalets	The uses are not permitted unless approval is granted by the Local Government ("D")

Moved: **Cr John Giardina**

Seconded: **Cr Noreen Townsend**

Vote: **CARRIED UNANIMOUSLY (12/0)**

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

CONFIDENTIAL ITEM

Reason for Confidentiality – Local Government Act 1995:

Section 5.23 (2) (b) "the personal affairs of any person".

Section 5.23 (2) (d) "legal advice obtained or maybe obtained by the Local government and which relates to a matter to be discussed at the meeting"

10.4.9 Dispute in relation to the former Chief Executive Officer

Previous Items	Item 6.1 Special Council Meeting 9 September 2013 Item 6.1 Special Council Meeting 10 December 2012 Item 6.1 Special Council Meeting 5 December 2012 Item 6.1 Ordinary Council Meeting – 15 October 2012 Item 6.1 Special Council Meeting 20 September 2012 Item 6.1 Special Council Meeting 23 September 2013 Item 10.3.7 Ordinary Council Meeting November 2013
Responsible Officer	Chief Executive Officer
Service Area	Office of the Chief Executive Officer
File Reference	N/A
Applicant	N/A
Owner	N/A
Confidential Attachment 1	Order case management Direction from the Supreme Court of Western Australia <i>Reason for Confidentiality – Local Government Act 1995: Section 5.23 (2) (b), "the personal affairs of any person". Section 5.23 (2) (d)" legal advice obtained or maybe obtained by the Local government and which relates to a matter to be discussed at the meeting"</i>
Confidential Attachment 2	Legal Advice <i>Reason for Confidentiality – Local Government Act 1995: Section 5.23 (2) (b), "the personal affairs of any person". Section 5.23 (2) (d) " legal advice obtained or maybe obtained by the Local government and which relates to a matter to be discussed at the meeting"</i>

RESOLVED OCM 217 /2013

That Council:

1. Defer consideration of the report to a Special Council Meeting to be held in February 2014.

Moved: **Cr Noreen Townsend**

Seconded: **Cr Bob Emery**

Vote: **CARRIED UNANIMOUSLY (12/0)**

11.0 MOTIONS OF WHICH PREVIOUS NOTICE HAS BEEN GIVEN

11.1 Nil.

12.0 QUESTIONS BY MEMBERS WITHOUT NOTICE

12.1 Local Laws (Cr Dylan O'Connor)

Q. Will the Chief Executive Officer consider reviewing local laws in relation to fencing?

A. The Director Development Services advised a review has commenced. A Councillor forum will be organised to ensure Council's intent is reflected in the local law.

12.2 Delegation – Senate Enquiry– Fruit Fly(Cr Geoff Stallard)

Q. Does Council need a resolution to direct staff on how to respond to any requests?

A. The Director Development Services advised staff have authority to make submissions on these types of matters. Staff are limited to what could be said other than to bring to the attention of the enquiry the need for control of the Medfly in this area. Without a genuine alternative to Fentian the growers will face declined productivity in an already marginal industry.

Q. There appears to be some misunderstanding that the Shire is working with the Agriculture Department on this issues. Is there some way that the Shire can advise that the industry is not getting active support from the state government?

A. The Director Development Services noted that in 2012 the Shires Acting CEO made a submission to the Minister of Agriculture advocating the Hills Orchard Improvement Groups position rather than taking a position. If a submission on the matter was made it could be stated that the Shire does not have a position one way or another in regard to any Federal or State department on this matter.

12.3 Delegation – Senate Enquiry– Fruit Fly(Cr Bob Emery)

Q. Has there been any discussions of late with the Department of Agriculture?

A. The Director Development Services advised there was a recent meeting in regards to the Draft Hills Rural Study. Further meetings will be held in January.

12.3 Meeting with Councillors – City of Belmont (Cr Andrew Waddell)

Q. At a previous council meeting a motion was passed to invite City of Belmont Councillors to joint session. Have there been any feedback?

A. The Chief Executive Officer advised an informal response has been received from the CEO of the City of Belmont advising the Councillors have had discussions and indicated they will participate in a meeting. Formal advice has not yet been received.

12.4 Meeting with Councillors – City of Belmont (Cr John Giardina)

Q. Will the meeting include the CEO from the City of Belmont?

A. The Shire President advised that the invitation was extended to Councillors no formal request to attend was sent to the CEO of the City of Belmont.

13.0 QUESTIONS BY MEMBERS OF WHICH DUE NOTICE HAS BEEN GIVEN

Nil.

14.0 URGENT BUSINESS APPROVED BY THE PRESIDING MEMBER OR BY DECISION

Nil.

15.0 MEETING CLOSED TO THE PUBLIC

15.1 Meeting Closed to the Public

RESOLVED OCM 213/2013

1. That the meeting be closed to the public to consider 10.4.6 Objection to the Issuing of a Notice of Breach – Lots 83 (30) and Lot 84 (28) Prospect Crescent, Kalamunda Confidential Attachment 2, 3 and 4 and 10.4.9 Dispute in relation to the former Chief Executive Officer.

Moved: **Cr Geoff Stallard**

Seconded: **Cr Allan Morton**

Vote: **CARRIED UNANIMOUSLY (12/0)**

The meeting closed to the public at 7.05pm.

15.2 Suspension of Standing Orders

RESOLVED OCM 214/2013

1. That Standing Orders be suspended to allow discussion on 10.4.6 Objection to the Issuing of a Notice of Breach – Lots 83 (30) and Lot 84 (28) Prospect Crescent, Kalamunda Confidential Attachment 2, 3 and 4.

Moved: **Cr John Giardina**

Seconded: **Cr Simon DiRosso**

Vote: **CARRIED UNANIMOUSLY (12/0)**

Standing Orders were suspended at 7:14pm.

15.2 Resumption of Standing Orders

RESOLVED OCM 215/2013

1. That Standing Orders be resumed after discussion on 10.4.6 Objection to the Issuing of a Notice of Breach – Lots 83 (30) and Lot 84 (28) Prospect Crescent, Kalamunda Confidential Attachment 2, 3 and 4.

Moved: **Cr Noreen Townsend**

Seconded: **Cr John Giardina**

Vote: For
Cr Frank Lindsey
Cr John Giardina
Cr Geoff Stallard
Cr Allan Morton
Cr Noreen Townsend
Cr Justin Whitten
Cr Andrew Waddell
Cr Bob Emery
Cr Dylan O'Connor
Cr Margaret Thomas

Against
Cr Simon DiRosso
Cr Sue Bilich
CARRIED (10/2)

Standing Orders were resumed at 7:30pm.

15.1 Meeting Opened to the Public

RESOLVED OCM 218/2013

1. That the meeting be opened to the public after consideration of 10.4.6 Objection to the Issuing of a Notice of Breach – Lots 83 (30) and Lot 84 (28) Prospect Crescent, Gooseberry Hill and 10.4.9 Dispute in relation to the former Chief Executive Officer.

Moved: **Cr Justin Whitten**

Seconded: **Cr Allan Morton**

Vote: **CARRIED UNANIMOUSLY (12/0)**

The meeting opened to the public at 7.50pm. The Presiding Member read the resolution passed in relation 10.4.6 Objection to the Issuing of a Notice of Breach – Lots 83 (30) and Lot 84 (28) Prospect Crescent, Gooseberry Hill to the public.

16.0 CLOSURE

16.1 There being no further business the Presiding Member declared the meeting closed at 7.51pm.

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

Signed: _____
Presiding Member

Dated this _____ day of _____ 2013