

Ordinary Council Meeting

Minutes for Monday 25 May 2015

UNCONFIRMED



**shire of
kalamunda**

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MINUTES

1.0 OFFICIAL OPENING

- 1.1 The Presiding Member opened the meeting at 6.35pm 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
Noreen Townsend		South West Ward
Justin Whitten		South West Ward
Allan Morton		South West Ward
Geoff Stallard		South East Ward
Frank Lindsey		South East Ward
John Giardina		South East Ward
Andrew Waddell JP		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
Sam Assaad	Acting Director Infrastructure Services
Darrell Forrest	Manager Governance
Andrew Fowler-Tutt	Manager Development Services
Rajesh Malde	Manager Financial Services
Darren Jones	Manager Community Development
Laurie Brennan	Media Advisor
Meri Comber	Governance Officer and PR

Members of the Public 6

Members of the Press Nil

2.2 Apologies

Councillors

Margaret Thomas JP North Ward

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 are summarised.

The following questions were asked at the Ordinary Council Meeting held on **Tuesday 28 April 2015**.

3.1 Caroline Babbage, Carmel – Representing Kalamunda Chamber of Commerce with reference to 10.2.4 C&C 10 Change of Land Use – Rating Methodology

Q1. Has the Shire of Kalamunda considered the implications of proposed changes to commercial rates on a fledgling tourism industry?

Q2. Has the Shire, as stated in the Memorandum of Understanding with the Kalamunda Chamber of Commerce consulted and engaged on issues that relate to the commercial or economic environment in the area to include strategic planning, tourist and strategies relating to economic development using the Chamber of Commerce as its vehicle?

A1&2 The Shire of Kalamunda will ensure that it considers all the implications of proposed changes to commercial rates on the tourism industry. The Shire is committed to consulting with the Chamber of Commerce on any proposed changes to commercial rates which may affect their members.

3.2 Tim Colegate, Carmel – Wilkins Road, Kalamunda

Q1. What was the justification for specifically including the development of an integrated aged care facility on Reserve 30314, Wilkins Road in the Shire's strategic plan, when it appears that there has been no strategic assessment of the potential sites for aged care facilities in the Shire?

A1. The site has been identified as being potentially suitable for aged persons' accommodation in the Shire's Local Planning Strategy (2010). Prior to this the Shire commissioned an *Aged Accommodation Strategy (2008)* which amongst other matters, set out locational criteria for these uses, which were used when considering the subject site.

Q2. Page 1 of the MRS amendment report for Lot 59 Wilkins Road Kalamunda, states that "The Shire advises that its investigations have shown that the site can viably be used for aged person's accommodation". What investigations is this report referring to?

A2. The MRS amendment report states that this site was identified in the Local Planning Strategy as mentioned above.

Q3. In the agenda of today's meeting, the response to my question regarding the whereabouts of documentation showing that Reserve 30314 is a suitable site for an integrated aged care facility refers to the MRS and EPBC processes as "further informing the suitability of the site". Prior to initiating these processes, what information did the

Shire possess to inform it that Reserve 30314 was a suitable site for an integrated aged care facility?

- A3. This was determined based on the *Aged Accommodation Strategy (2008)* locational criteria, servicing reports and discussions with industry representatives.
- Q4. Regardless of whether the Shire would be the eventual developer of an integrated aged care facility on Wilkins Road, it would make sense to prepare an example business case to test if such a facility would be financially viable at that location. Did the Shire develop such a business case prior to spending ratepayer's money on the rezoning process for Reserve 30314?
- A4. No business case was developed.
- Q5. On 27 October 2014, I asked the Shire: "Does Reserve 30314 or the adjacent reserves contain dieback?" The response to my question, written in the Agenda of the meeting on 24 November 2014, states that: "This reserve on Wilkins Road has not been assessed for dieback, therefore its dieback presence is unknown." However, the letter dated 13 December 2013, from Darren Walsh, Strategen Environmental Consultants, to Mr Con Voutas, Department of the Environment, states that the entire site was found to be impacted by dieback. This letter was cc'd to the Shire of Kalamunda. Why did the Shire not reference this letter in its response to my question?
- A5. This was an oversight on the Shire's behalf.
- Q6. Given that the Shire is aware about dieback on Reserve 30314, will the Shire assess the risk of the dieback spreading to adjacent reserves, which are in the Middle Helena Water Catchment, through disturbance of the site?
- A6. This matter will be considered within the environmental advice sought from the Shire's environmental consultants. This will be included at the Structure Plan stage in accordance with best practices.
- Q7. I refer to the response to the Department of Environment's "request for additional information", which describes a proposed offset revegetation of Black Cockatoo habitat, being Reserve 50554 – Jorgensen Park. The stated legal mechanism proposed to protect this area is the current zoning as Parks and Recreation. Given that this is also the current legal mechanism to protect Reserve 30314 on Wilkins Road, which the Shire is currently attempting to rezone for development, how will the legal mechanism protect the proposed offset in Jorgenson Park from future rezoning and development by the Shire?
- A7. This will be determined based on advice and requirements of both the state and federal governments.
- Q8. What is the estimated cost of the proposed off-site revegetation activities?
- A8. This is to be determined.

- Q9. Will the costs of the proposed off-site revegetation come from the Shire budget, or will it be recouped from a third party?
- A9. The cost would be borne by the developer of the site.
- Q10. The revised development concept plan in the response to the “request for additional information” shows a 20 metre setback fire buffer. Is this buffer consistent with the preliminary advice on the Bushfire Assessment obtained by the Shire?
- A10. The development plan is conceptual only, however further development plans will incorporate the required fire buffers.

Questions Ordinary Council Meeting 25 May 2015

3.3

Tim Colegate, Carmel – Wilkins Road

- Q1. Thank you to those Shire staff and councillors who organised and attended the Wilkins Road public questions session on 30 April 2015. I hope it was a chance for you to see that there are a number of people who disagree with this proposed destruction of bushland, and would instead like to see strategic planning for aged care provision in the Shire. Given the proposed development of Reserve 30314 was considered by the Shire Council in 2011, why has it taken nearly four years for the Shire to hold a public information session on the proposal and why was it held after submissions on the proposed zoning amendments to the Local Planning Scheme and the Metropolitan Region Scheme had closed?
- Q2. Who initially suggested that Reserve 30314 should be rezoned for the development of an integrated aged care facility, and when did this occur?
- Q3. Which State Government department is Reserve 30314 vested with?
- Q4. Given that Reserve 30314 is not vested with the Shire, why is the Shire acting as the proponent for the MRS rezoning and EPBC approvals processes?
- Q5. If the development goes ahead on Reserve 30314, will the expenses of rezoning, including environmental and bushfire studies, be recouped from the eventual developer of the reserve, or will the cost be borne by the Shire?
- Q6. Has the Shire made the results of the survey showing dieback on the reserve known to the WA Planning Commission and the Environmental Protection Authority? If not, will it do so?
- Q7. Does the Council have any contract or formal agreement in place with the Bethanie Group regarding the proposed development on Wilkins Road? If so, what is the nature of this contract or agreement?
- Q8. If the rezoning of Reserve 30314 is approved, does the selection of the Bethanie Group as preferred partner guarantee them the right to undertake the development, or will this development go out to public tender?

- Q9. The Shire's preliminary bushfire advice for the proposed Wilkins Road development was assessed against "Planning for Bush Fire Protection Edition 2, 2010". Will the Shire now obtain bushfire advice assessed against the "Draft State Planning Policy 3.7 – Planning for Bushfire Risk Management?"
- Q.10 Does the proposed development on Wilkins Road comply with the State Planning Policy 3.7 and the WA Planning for Bushfire Risk Management Guidelines and Appendices?
- Q11. In the current concept plan for an integrated aged care facility on Wilkins Road, what area of land is required for the low and high-care facilities, and what area of land is required for the independent living units?
- Q12. Does the Shire have any evidence to show that large integrated aged care facilities are the most timely and cost effective method to ensure existing residents in the community get access to low and high-care facilities?

These questions were taken on notice.

4.0 PETITIONS/DEPUTATIONS

- 4.1 A deputation was presented by Nigel Dickinson of Gooseberry Hill.

There were no Councillor questions following the deputation, however, the presiding member invited Nigel Dickinson to attend a meeting with the Chief Executive Officer and Shire President to discuss his concerns.

5.0 APPLICATIONS FOR LEAVE OF ABSENCE

- 5.1 Nil.

6.0 CONFIRMATION OF MINUTES OF PREVIOUS MEETING

- 6.1 RESOLVED OCM 53/2015

That the Minutes of the Ordinary Council Meeting held on 28 April 2015, as published and circulated, are confirmed as a true and accurate record of the proceedings.

Moved: **Cr Geoff Stallard**

Seconded: **Cr Frank Lindsey**

Vote: **CARRIED UNANIMOUSLY (10/0)**

7.0 ANNOUNCEMENTS BY THE PRESIDING MEMBER WITHOUT DISCUSSION

- 7.1 Nil.

8.0 MATTERS FOR WHICH MEETING MAY BE CLOSED

- 8.1 **10.3.4 CONFIDENTIAL REPORT – Consideration of Tenders – Kostera Oval Reserve Re-Development Project (RFT1504)**
under separate cover
Reason for Confidentiality *Local Government Act 1995* S5.23 (d) (c) – “a contract entered into, or which may be entered into, by the local government which relates to a matter to be discussed at the meeting.”

9.0 DISCLOSURE OF INTERESTS

9.1 **Disclosure of Financial and Proximity Interests**

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

9.1.1 Nil.

9.2 **Disclosure of Interest Affecting Impartiality**

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

9.1.2 Nil.

10.0 REPORTS TO COUNCIL

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

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

10.1 Development & Infrastructure Services Committee Report

10.1.1 Adoption of Development & Infrastructure Services Committee Report

Voting Requirements: Simple Majority

RESOLVED OCM 54/2015

That recommendations D&I 20 to D&I 23 inclusive, contained in the Development & Infrastructure Services Committee Report of 11 May, 2015 be adopted by Council en bloc.

Moved: **Cr Simon Di Rosso**

Seconded: **Cr Noreen Townsend**

Vote: **CARRIED UNANIMOUSLY (10/0)**

10.1.2 D&I 20 Amendment to Local Planning Scheme No. 3 – Additional Use (Animal Establishment) – Lot 201 (234) Stanhope Road, Walliston

EN BLOC RESOLUTION OCM 54/2015

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:

DESCRIPTION OF LAND	ADDITIONAL USE	CONDITIONS
Lot 201 (234) Stanhope Road, Walliston	Animal Establishment	The uses are not permitted unless approval is granted by the Local Government ("D")

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.

10.1.3 D&I 21 Review of Planning, Building and Council Policies

EN BLOC RESOLUTION OCM 54/2015

That Council:

1. Pursuant to clause 2.2 and 2.4.2 of Local Planning Scheme No. 3, authorises the Chief Executive Officer to advertise the following proposed policies for a period of 21 days:
 - Draft Planning Policy – Outbuildings in Rural and Residential Areas;
 - Draft Planning Policy – Public Notification of Planning Proposals;
2. Pursuant to section 2.7 of the *Local Government Act 1995*, authorises the Chief Executive Officer to advertise the following proposed policies for a period of 21 days:
 - Draft Council Policy – Neighbour Mediation;
 - Draft Council Policy – Refunding, Waiving and Reducing Planning and Building Fees;
 - Draft Building Policy – Pergolas;
 - Draft Building Policy – Use and Removal of Asbestos; and
 - Draft Building Policy – Earthworks.

10.1.4 D&I 22 Annual Caravan Park Licence Renewals

EN BLOC RESOLUTION OCM 54/2015

That Council:

1. Approves the renewal of the caravan park licences, subject to receipt of the required licence fees, for:
 - Discovery Holiday Park, 186 Hale Road Forrestfield.
 - Forrestfield Caravan N Park Home Village, 353 Hawtin Road Forrestfield.
 - Hillview Lifestyle Village, 597 Kalamunda Road High Wycombe.
 - Advent Park, 345 Kalamunda Road Maida Vale.

10.1.5 D&I 23 Wandoo Road – Footpath and Traffic Treatments

EN BLOC RESOLUTION OCM 54/2015

That Council:

1. Supports the construction of footpath along Wandoo Road, Forrestfield to provide pathway connectivity in the area and the implementation of traffic treatments on Wandoo Road to reduce vehicular speeds and improve traffic safety.

2. Notes that an amount of \$20,000 has been included in the draft 2015/2016 Capital Works Program for the community consultation, monitoring of traffic speeds in June and December 2015, Council approval, design/documentation and Western Power design/quotation processes for the construction of a footpath and traffic treatments on Wandoo Road, Forrestfield.
3. Notes that an amount of \$425,000 has been included in the draft 2016/2017 Capital Works Program for the implementation of the approved works in Wandoo Road, noting that this amount may need to be amended when the detailed design and cost estimate are finalised.
4. Note that a separate report will be provided regarding a policy for the investigation and prioritisation of local area traffic management treatments on the Shire's roads.

10.2 Corporate & Community Services Committee Report

10.2.1 Adoption of Corporate & Community Services Committee Report

Voting Requirements: Simple Majority

RESOLVED OCM 55/2015

That the recommendations C&C 17 to C&C 23 inclusive, contained in the Corporate & Community Services Committee Report of 18 May 2015, be adopted by Council en bloc.

Moved: **Cr Noreen Townsend**

Seconded: **Cr Geoff Stallard**

Vote: **CARRIED UNANIMOUSLY (10/0)**

10.2.2 C&C 17 Creditors' Accounts Paid During the Period ended 30 April 2015

EN BLOC RESOLUTION OCM 55/2015

That Council:

1. Receives the list of payments made from the Municipal Accounts in April 2015 (Attachment 1) in accordance with the requirements of the *Local Government (Financial Management) Regulations 1996 (Regulation 12)*.
2. Receives the list of payments made from the Trust Accounts in April 2015 as noted in point 13 above in accordance with the requirements of the *Local Government (Financial Management) Regulations 1996 (Regulation 12)*.
3. Receives the outstanding debtors (Attachment 2) and creditors (Attachment 3) reports for the month of April 2015.

10.2.3 C&C 18 Rates Debtors Report for the Period Ended 30 April 2015

EN BLOC RESOLUTION OCM 55/2015

That Council:

1. Receives the rates debtors report for the period ended 30 April 2015 (Attachment 1).

10.2.4 C&C 19 Community Care Quarterly Report January - March 2015

EN BLOC RESOLUTION OCM 55/2015

That Council:

1. Receives the Community Care Quarterly Report, January to March 2015.

10.2.5 C&C 20 Appointment of Community Representatives to Scott Reserve Advisory Committee

EN BLOC RESOLUTION OCM 55/2015

That Council:

1. Appoints the nominee, Mr Neil Worsley, to the Scott Reserve Advisory Committee to represent High Wycombe Football Club.

10.2.6 C&C 21 Appointment of Community Representatives to Hartfield Park Advisory Committee

EN BLOC RESOLUTION OCM 55/2015

That Council:

1. Appoints the nominee, Mr Alex Minson, to the Hartfield Park Advisory Committee to represent Forrestfield Cricket Club.

10.2.7 C&C 22 Quarterly Progress Report – January - March 2015

EN BLOC RESOLUTION OCM 55/2015

That Council:

1. Receives the Quarterly Progress Report for January – March 2015.

10.2.8 C&C 23 Draft Monthly Financial Statements to 30 April 2015

EN BLOC RESOLUTION OCM 55/2015

That Council:

1. Receives the draft monthly statutory financial statements for the month to 30 April 2015, which comprises:
 - Statement of Financial Activity (Nature or Type).
 - Statement of Financial Activity (Statutory Reporting Program).
 - Net Current Funding Position, note to financial statement.

10.3 CHIEF EXECUTIVE OFFICER REPORTS

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

10.3.1 Review of Delegations for 2015

Previous Items	OCM 70/2014
Responsible Officer	Chief Executive Officer
Service Area	Governance
File Reference	LE-ACT-006
Applicant	N/A
Owner	N/A
Attachment 1	Draft Delegation Register

PURPOSE

1. For Council to review its delegations to the Chief Executive Officer (CEO) and other employees.

BACKGROUND

2. In order to carry out its functions efficiently and effectively, Council has the ability to delegate its powers and duties to the CEO (or to another staff member, in some cases).
3. Section 5.46 of the *Local Government Act 1995* (the Act) requires each Council to review its delegations at least once every financial year.
4. Council last reviewed its delegations on 26 May 2014. The current delegations must therefore be reviewed by 30 June 2015.

DETAILS

5. The review undertaken in preparation of this report has revealed that except for those delegations proposed to be revoked all of the others are appropriate and provide an effective framework for the efficient operation of the Shire through the responsible discharge of those powers and duties delegated by Council.
6. Specifically, there continues to be no issues which have arisen as a result of changes made to the delegations resulting from the forensic audit into the actions of the previous CEO. Additional targeted checks with respect to these delegations form part of the Internal Audit Program.
7. The following delegations were identified as being no longer appropriate or required and are to be revoked:
 - CPR1 – Caravan Parks and Camping Grounds – No Head of Power for delegation and matters covered are already included in the Authorisation provided to the Manager.
 - LGA16 – Tender – Development of 39 Maida Vale Road – this proposal did not proceed as the land was sold outright to the developer.

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8. The revised delegations of Council are shown in the draft Delegations Register (Attachment 1).

STATUTORY AND LEGAL CONSIDERATIONS

9. Section 5.42 of the *Local Government Act 1995* states that:
- “A local government may delegate to the CEO the exercise of any of its powers or the discharge of any of its duties under this Act other than those referred to in Section 5.43.” (Absolute Majority required).
- Limits on delegations to CEOs – S.5.43.
- Requirement for review – S.5.46.
10. There are also similar delegation provisions in the *Building Act 2011*, *Local Planning Scheme No 3*, *Health Act 1911*, *Dog Act 1976* and *Cat Act 2011*.

POLICY CONSIDERATIONS

11. Where appropriate, Policies will reflect the principles and conditions included in any delegation.

COMMUNITY ENGAGEMENT REQUIREMENTS

12. Public consultation is not considered necessary with respect to this issue.

FINANCIAL CONSIDERATIONS

13. There are no direct financial implications associated with this issue.

STRATEGIC COMMUNITY PLAN

Strategic Planning Alignment

14. *Kalamunda Advancing: Strategic Community Plan to 2023*
- OBJECTIVE 6.3 - To lead, motivate and advance the Shire of Kalamunda.
- Strategy 6.3.3 Regularly review the organisation's structure, policies and procedures in response to changing circumstances.

SUSTAINABILITY

Social Implications

15. Nil

Economic Implications

16. Nil

Environmental Implications

17. Nil

RISK MANAGEMENT CONSIDERATIONS

18.

Risk	Likelihood	Consequence	Rating	Action/Strategy
That Council does not continue to provide delegated authority to the CEO and other staff.	Unlikely	Major	Medium	Introduce processes that would assist Council with the additional decision workload.

OFFICER COMMENT

19. The Officer Recommendations reflect the outcome of the review of current delegations, and as such will continue to provide an effective framework for the efficient operation of the Shire through the responsible discharge of the those powers and duties delegated by Council.

Voting Requirements: Absolute Majority

RESOLVED OCM 56/2015

That Council:

1. Notes the review of the delegations.
2. Revokes the following delegations
 - CPR1 – Caravan Parks and Camping Grounds.
 - LGA16 – Tender – Development of 39 Maida Vale Road.
3. Adopts the delegations as detailed in the draft Delegations Register (Attachment 1).

Moved: **Cr Andrew Waddell**

Seconded: **Cr Geoff Stallard**

Vote: **CARRIED UNANIMOUSLY / ABSOLUTE MAJORITY (10/0)**

Attachment 1

DRAFT Delegation Register

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

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

10.3.2 Forrestdfield Industrial Area Stage 1 – Adoption of Developer Contribution Rate and Proposal for Infrastructure Development

Previous Items	OCM 211/2013; OCM 21/2015
Responsible Officer	Director Development Services
Service Area	Development Services
File Reference	PG-STU-028
Applicant	N/A
Owner	Various

This item was withdrawn from the Agenda by the Chief Executive Officer as the landowners have requested further consultation.

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

10.3.3 Budget 2015/2016 – Differential Rates

Previous Items	Nil
Responsible Officer	Director Corporate Services
Service Area	Financial Services
File Reference	FI-CRS-002
Applicant	N/A
Owner	N/A
Attachment 1	Detailed Sample of Properties based on Scenario 3

PURPOSE

1. To consider the level at which to set and advertise differential rates as part of the 2015/16 Budget process.

BACKGROUND

2. Differential Rates has now been part of the Budget for some years, with modifications to categories introduced over time to assist in spreading the rate burden and providing opportunities for increases in overall rate income.
3. A specific strategy has been to increase the gap between Gross Rental Value (GRV) Categories – General, and the Commercial and Industrial/Light Industry categories. The proposal for 2015/16 is to merge the Industrial and Commercial categories. The changes is considered desirable as:
 - it simplifies administration;
 - the margin in the differentials between the two categories have started becoming smaller; and
 - the two categories make up only 589 out of a total of 22,418. Properties representing 2.6% of the total rate base.
4. It should be noted that based on the updated Unimproved Value categories, Landgate have determined an overall decrease in values averaging 1.3%. This is significantly different to last year, where all properties were subject to a GRV resulting in significant shifts in property values.
5. The Council has asked the Shire to look at rolling the waste charges into the rates so that the Pensioner Rebate currently being provided by the Shire can be transferred to the State Government as part of the rebates that it provides.
6. A sample extraction of properties shows the different categories and their proposed and future rates (Attachment 1). Considering that the State Government is moving away from the current formula of 50% of rates and emergency services levy (ESL) (no capping) for pensioners to a capped amount of \$550 commencing in 2016/17, this strategy will not derive the results intended.

7. It is also interesting to note that although the valuation for GRV Vacant category has dropped on the whole, this is primarily attributed to the reclassification of these properties from Vacant to others, i.e. General, Industrial or Commercial as they are developed. The number of properties in the GRV Vacant category dropped from 881 in 2013/14 to 685 in 2014/15, a difference of 198 or 22% reduction in the last two years. The Council's strategy has encouraged additional development in the Shire.
8. Advice received from other metropolitan local governments indicate the following proposed rate changes for the 2015/16 year.

Local Government	% Increase
City of Armadale	5.9
City of Gosnells	4.5
Shire of Mundaring	>6
City of Swan	3.25*
City of Belmont	2.5**
City of Perth	7.7
City of Canning	10
City of Rockingham	10

*The rate provided is unconfirmed as to whether growth is included or not.

**Unconfirmed as to whether rates growth is included and also need to take into account significant ex-gratia rates that this Council receives.

9. Councillors were briefed on 18 May 2015 on three scenarios with separate options in each.
- Scenario 1 showed the options with a 0%, 4% and 5% flat increase across the categories, except for GRV Vacant and the merged Industrial and Commercial categories. The 0% option to show what the Shire would earn if it left the rate in \$ and minimums as is. The result showed an increase in revenue by 0.9% which is regarded as the growth.
 - Scenario 2 showed the options with UV and GRV General with a 4% increase and the balance raised from the other categories giving an overall rate increase of 4% and 5%. This model showed that GRV Industrial/Commercial would be heavily skewed and bearing an unacceptably higher rate of 7%, see table in point 9 below.
 - Scenario 3 showed the options whereby the bin charges were merged with rates which covered the bin costs and a 4% or 5% increase in rates. This option has significant adverse effects on the industrial and commercial categories (see confidential attachment 1) and is not recommended further.
 - All scenarios had similar minimum rates increases with UV and GRV General except GRV Vacant at \$840 and the Industrial and Commercial

categories at \$980. GRV Vacant minimum had to be revised downwards to \$695. This is to avoid breaching the 50% rule explained further below.

- In all scenarios, the GRV Vacant category is slightly altered between 7.2 and 7.35 cents in the dollar. Any significant changes in the rate would result in the Shire breaching the *Local Government Act 1995, s 6.35*

(2) A minimum payment is to be a general minimum but, subject to subsection (3), a lesser minimum may be imposed in respect of any portion of the district

(3) In applying subsection (2) the local government is to ensure the general minimum is imposed on not less than —

- (a) 50% of the total number of separately rated properties in the district; or*
- (b) 50% of the number of properties in each category referred to in subsection (6),*

(6) For the purposes of this section a minimum payment is to be applied separately, in accordance with the principles set forth in subsections (2), (3) and (4) in respect of each of the following categories —

- (a) to land rated on gross rental value; and*
- (b) to land rated on unimproved value; and*
- (c) to each differential rating category where a differential general rate is imposed.*

10. The following tables reflects these options:

Scenario 1 Flat Increase	Number of Properties	Option 1 0% (Growth)	Option 2 4%	Option 3 5%
GRV General	20,845	22,987,038	23,476,071	23,680,877
General UV	231	482,183	498,810	503,700
GRV Industrial/ Commercial	589	6,341,478	6,554,957	6,636,343
Commercial UV	68	153,849	152,742	154,371
Vacant GRV*	685	920,319	903,212	909,538
	22,418	30,884,867	31,585,794	31,884,831

Scenario 2 Variable Rates	Number of Properties	4%	Variable Rate for Other Categories	TOTAL 5% Increase
GRV General	20,845	23,476,071		
General UV	231	498,811		
GRV Industrial/ Commercial	589		6,833,200	
Commercial UV	67		158,302	
Vacant GRV*	685		918,398	
	22,418	23,974,882	7,909,900	31,884,782

Scenario 3 Bins rolled in	Number of Properties	Option 1 4%	Option 2 5%
GRV General	20,845	30,928,049	31,224,487
General UV	231	636,114	642,230
GRV Industrial/ Commercial	589	9,399,483	9,489,766
Commercial UV	68	162,863	180,056
Vacant GRV*	685	1,184,576	1,193,988
	22,418	42,311,085	42,730,528

11.

	Number of Properties	Scenario 1 Option 3	Scenario 2 Variable Rates	Variance \$	Variance %
GRV General	20,845	23,680,877	23,476,071	204,806	0.86
General UV	231	503,700	498,811	4,899	0.97
GRV Industrial/ Commercial	589	6,636,343	6,833,200	(196,857)	(2.9)
Commercial UV	68	154,371	158,302	(3,931)	(2.5)
Vacant GRV	685	909,538	918,398	(8,860)	(0.97)
	22,418	31,884,831	31,884,782	57	

The above table compares the impact on the various categories, Scenario 1 being a flat 5% model, whereas Scenario 2 is a variable model but keeping the General UV & GRV category fixed at a 4% rise in rates.

It shows that that the GRV Industrial and Commercial categories would be heavily affected, in excess of 7%. In light of the current economic conditions prevailing in the State, it will be difficult to justify this model.

12. This report seeks to ratify the levels at which the Shire will advertise differential rates for the 2015/16 financial year.

DETAILS

13. The Budget will be framed on the current principles of the proposed rolling ten year Long Term Financial Plan (LTFP) (2015-25). The LTFP is an integral part of the Integrated Planning Framework and designed to provide local governments with a clear focus on robust financial planning and management. The ten year plan assumes a 5% increase in the rate in the dollar for residential properties for the 2015/16 year. Information recently received from Western Australian Local Government Association indicates that the majority of Metropolitan Local Governments anticipate that residential rates will increase between 2.5% and 10%.

14. A comparison was done with our neighbouring local governments, City of Armadale, Shire of Mundaring, City of Canning, City of Swan, City of Belmont and City of Gosnells which shows that our rates will remain competitive against the adjoining local government authorities. It should be noted that the

rates reflected for the other local governments are proposed rates and could change as they are also in budget consideration process.

The City of Belmont is difficult to compare as they receive a significant amount of money as ex-gratia rates. The 2013/14 financial statements show this amount comprising 19.5% of total rates raised, worth \$37.9m.

15. At the Councillor briefings, the preferred option chosen for the 2015/16 Differential Rates is:
- GRV and UV categories except vacant category increase by 5%, this includes a growth factor of 0.9%;
 - Minimum rate of \$840 for General GRV/UV and \$980 for the merged Industrial and Commercial GRV/UV categories; and
 - Vacant GRV with a Rate in the dollar of \$0.0725 and a Minimum Rate of \$695.
16. The Shire also recommends that a levy that was implemented in 2013/14 to address the long term remediation issues being experienced at closed landfill sites within the Shire is continued. The Department of Environment and Conservation is applying stringent control over monitoring and rehabilitation required and the Shire is expending an average of \$116,000 a year to deal with the issue. In recognition of the impost the State Government introduced a *Waste and Resource Recovery Act* in 2007 which allows for local governments to charge a levy to cover the cost of ongoing monitoring of closed land fill sites.
17. The proposed rate for 2015/16 is \$0.000204, to raise just over \$116,000 to apply against remedial works on identified contaminated sites.

STATUTORY AND LEGAL IMPLICATIONS

18. Rates are levied on all rateable properties within the boundaries of the Shire of Kalamunda in accordance with the *Local Government Act 1995*. The overall objective of the proposed rates and charges in the 2015/16 Budget is to provide for the net funding requirements of the Council's activities and works programs as outlined in the ten year Long Term Financial Plan 2015-25.
19. In accordance with Section 6.36 of the *Local Government Act 1995*, the Shire is required to ensure that a notice is published in sufficient time to allow submissions to be made by an elector or a ratepayer in respect of the proposed rate within 21 days of the publication of the notice.

POLICY IMPLICATIONS

20. The retention of differential rating continues the existing policy except for one change and that is to merge the Industrial and Commercial GRV categories into one renaming it as Industrial/Commercial GRV Category.
21. The Shire is deemed not to be restricted by this direction if it required to raise specific funds to re-develop specific town sites which would benefit the

commercial category alone. The monies required would be able to be raised from the affected properties via issuance of a special area rates notice, if required.

PUBLIC CONSULTATION/COMMUNICATION

22. Subject to the approval of the recommendation of this report public consultation will be sought by the publication of a public notice and the request for submissions in line with the requirements of the *Local Government Act 1995*.

FINANCIAL IMPLICATIONS

23. The raising of rates will enable the Shire to maintain sustainable operations. The Shire is faced with significant increases in relation to State Government related costs in excess of the national CPI. In addition to the above, the Bushfire Act which is commencing 1 November 2015 will bring a significant impost estimated at 2% of rates raised to ensure that the Shire is compliant.

STRATEGIC COMMUNITY PLAN

Strategic Planning Implications

24. *Shire of Kalamunda Strategic Community Plan to 2023*
- Strategy 6.8.1 Develop and regularly review the Long Term Financial Plan for the Shire
- 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

25. Increasing rates will generally have an adverse impact on low income home owners.

Economic Implications

26. The proposal to continue with and increase differential rating to commercial and industrial ratepayer may have an adverse impact on small businesses. As such, Scenario 2 is not recommended.

Environmental Implications

27. Nil.

RISK MANAGEMENT CONSIDERATIONS

28.

Risk	Likelihood	Consequence	Rating	Action / Strategy
Rates not approved by Council in time for rates notices to be issued by 1 July 2016.	Possible	Extreme	Extreme	Ensure that Council consensus is achieved by continuous briefing and updates on the budgets and rates modelling.

OFFICER COMMENT

29. This report is submitted in order that Council provide direction on the levels of rate increase and differential rate to be advertised for public comment as part of the 2015/2016 Budget process.

Some amended figures were circulated to Councillors prior to the meeting, the corrected figures have been highlighted in these Minutes.

A Councillor asked, if the Shire was to do away with the differential rates between Commercial and Industrial how would the Shire finance the proposed up-grades to the Town Centres, given that the Shire could not charge a differential rate from those ratepayers who would benefit from it. The Director Development Services indicated a Special Area rate can be introduced and this will all be detailed in the presentation following this meeting.

Voting Requirements: Simple Majority

RESOLVED OCM 57/2015

That Council:

1. In line with the ten year Long Term Financial Plan, approve that the rate in the dollar and minimum rates advertised in the public notice for the rating categories will be as follows:

Category/Levy	Rate in \$	Min Rate \$
General GRV	0.055235	840
Industrial/Commercial GRV	0.056660	980
Vacant GRV	0.072500	695
General UV	0.003090	840
Commercial UV	0.003390	980
Waste Avoidance and Resource Recovery Levy (All Categories)	0.000204	N/A

Moved: **Cr Geoff Stallard**

Seconded: **Cr Noreen Townsend**

Vote: **CARRIED UNANIMOUSLY (10/0)**

Attachment 1

Detailed Sample of Properties based on Scenario 3

Code	Address	Rate Levied	Rate Levied	Last Year	Increase	L/Y
GRV Ind	11 IMPERIAL STREET	1,447	1,447	1007.69	439	43.60%
GRV Ind	10 LAURENCE ROAD	1,416	1,416	986.14	430	43.60%
GRV Ind	9 WHARTON ROAD	1,596	1,596	1111.09	484	43.60%
GRV Commercial	15 CENTRAL ROAD	268,472	268,472	166873.37	101,599	60.88%
GRV Commercial	105 WATSONIA ROAD	4,284	4,284	2159.66	2,125	98.39%
GRV Commercial	130 WITTENOOM ROAD	8,441	8,441	4551.71	3,889	85.45%
GRV Commercial	108 HALE ROAD	1,855	1,855	1152.98	702	60.88%
GRV Commercial	53 NEWBURN ROAD	1,578	1,578	981.04	597	60.88%
GRV Commercial	63 CANNING ROAD	3,256	3,256	2023.74	1,232	60.88%
GRV Commercial	61 CANNING ROAD	3,256	3,256	2023.74	1,232	60.88%

10.3.4 CONFIDENTIAL REPORT – Consideration of Tenders – Kostera Oval Reserve Re-Development Project (RFT1504)

Reason for Confidentiality *Local Government Act 1995 S5.23 (d) (c) – “a contract entered into, or which may be entered into, by the local government which relates to a matter to be discussed at the meeting.”*

Previous Items	Nil
Responsible Officer	Director Infrastructure Services
Service Area	Infrastructure Operations
File Reference	RFT1504
Applicant	N/A
Owner	N/A
Attachment 1	Schedule Plan
Confidential	Confidential Attachment – Tender Evaluation Report
Attachment 2	<u>Reason for Confidentiality</u> <i>Local Government Act 1995 S5.23 (d) (c) – “a contract entered into, or which may be entered into, by the local government which relates to a matter to be discussed at the meeting.”</i>

Voting Requirements: Simple Majority

RESOLVED OCM 61/2015

That Council:

1. Accepts the recommendation of the Tender Assessment Panel to appoint All Earth Group, for the provision of the Kostera Oval Reserve Re-Development Project (RFT1504) for a total lump sum price of \$1,752,144 (excluding GST).

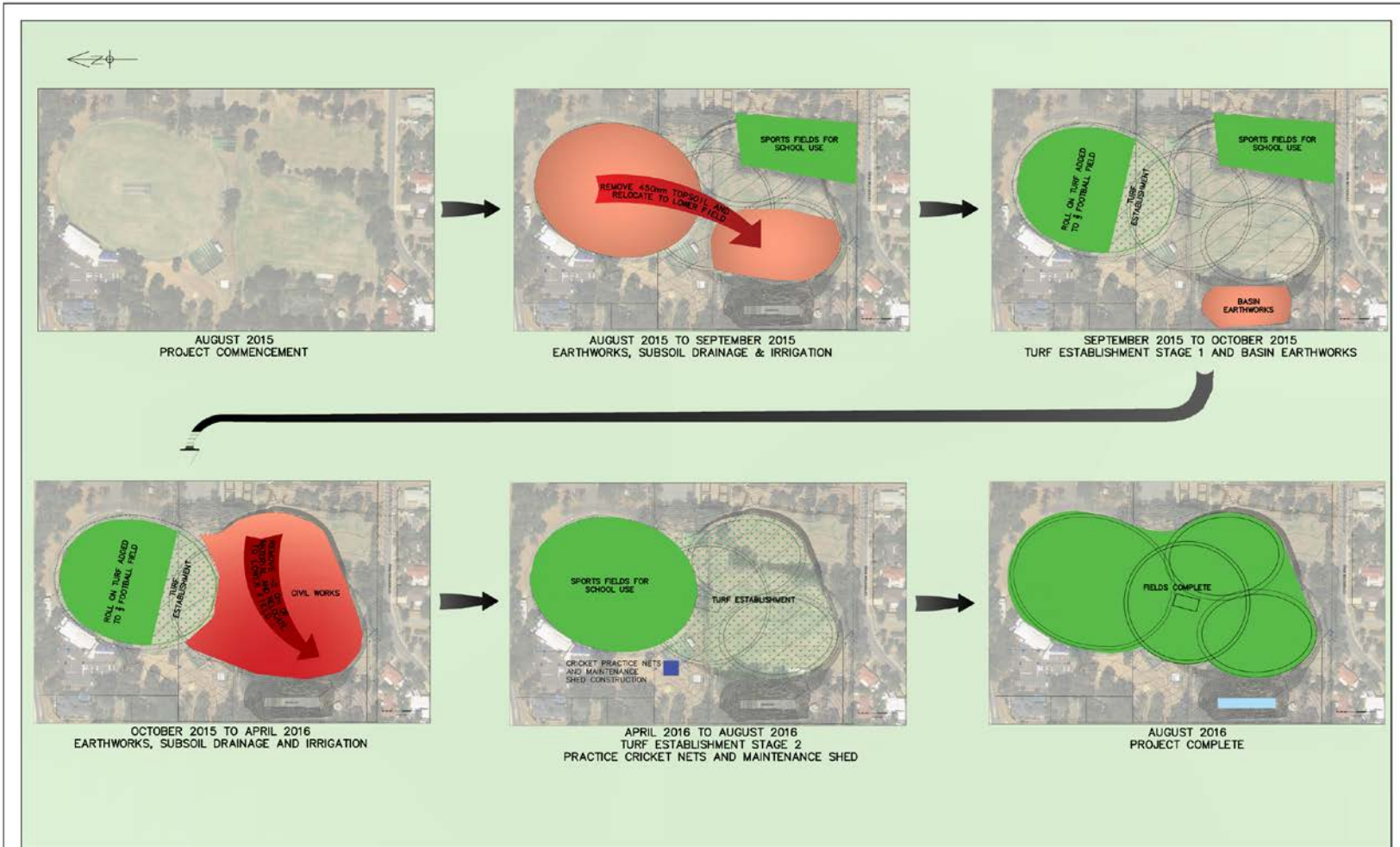
Moved: **Cr John Giardina**


Seconded: **Cr Geoff Stallard**

Vote: **CARRIED UNANIMOUSLY (10/0)**

This item was discussed at Point 15 of this Agenda behind closed doors.

Attachment 1 Schedule Plan



NO.	DATE	REVISION	BY	CHKD	APPD	DATE	SUBMITTED	NOT TO BE USED FOR CONSTRUCTION UNTIL SIGNED APPROVED.	DESIGNER TO COMPLETE	DATE	INFRASTRUCTURE SERVICES	 KOSTERA OVAL SCHEDULE PLAN	SCALE: N.T.S.	A1	DRG NO: 3635-410-0001/A
							BY GP DATE 20/12/2014	APPROVED - Dennis Bray POSITION - DIRECTOR INFRASTRUCTURE DATE - 18/03/2015	DESIGNED AG 16/03/15 DRAWN AG 16/03/15 DRAFT CHECK DESIGN ENGINEER	JOB NO. 4423					
A REVISIONS SHOULD FURNISH INFORMATION															

11.0 MOTIONS OF WHICH PREVIOUS NOTICE HAS BEEN GIVEN

11.1 Cr John Giardina – Rate Capping and Impact on Local Government

Rationale:

As a consequence of recent reports about the possibility of rate capping being introduced, I believe that it is important that the Council is informed as to whether these reports are correct and the impact that this might have on local government. I also believe that the State should be doing more to provide additional funding to local government.

Staff Comment

The motion being put is very broad and complex in nature and will require considerable research and liaison with numerous state agencies. It is also considered that there would be a requirement to seek legal advice on some aspects.

To enable this work to proceed it is considered that a budget allocation of up to \$20,000 would be required.

Councillors debated the motion. A number of questions were asked seeking clarification as to what could be expected and achieved by such a report. Prior to the vote being taken Councillors foreshadowed alternative motions, however the substantive motion was put and carried.

As the vote was 5/5 the presiding member, in accordance with Section 5.21 (3) of the "Local Government Act 1995" exercised her right to cast a second vote. The presiding member cast her second vote in favour of the motion which was therefore Carried 6/5.

Voting Requirements – Simple Majority
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RESOLVED OCM 58/2015

That Council:

1. Requests the Chief Executive Officer to investigate and prepare a Report for Council consideration.
 - (a) Whether recent reports that the State Government is moving to implement rate capping for local governments is correct and if an implementation date has been determined.
 - (b) Possible options or increased funding from the State Government to offset the impact of rate capping and the cost to local government of previous functions of the State now being undertaken by local government, including direct funding of staff salaries.

Moved: **Cr John Giardina**

Seconded: **Cr Geoff Stallard**

Vote: **For** **Against**
 Cr John Giardina **Cr Frank Lindsey**
 Cr Geoff Stallard **Cr Allan Morton**
 Cr Justin Whitten **Cr Noreen Townsend**
 Cr Andrew Waddell **Cr Dylan O'Connor**
 Cr Sue Bilich **Cr Simon Di Rosso**
 Cr Sue Bilich

CARRIED (6/5)

12.0 QUESTIONS BY MEMBERS WITHOUT NOTICE

12.1 Cr Frank Lindsey – Landowners in Rural Areas

Q. Will land owners in the rural areas be written to and informed of Council's decision regarding the Hills Rural Study?

A. Director Development Services indicated that all those who had made a submission can be written to and informed of the decision.

13.0 QUESTIONS BY MEMBERS OF WHICH DUE NOTICE HAS BEEN GIVEN

13.1 Nil.

14.0 URGENT BUSINESS APPROVED BY THE PRESIDING MEMBER OR BY DECISION

14.1 Nil.

15.0 MEETING CLOSED TO THE PUBLIC

15.1 **Meeting Closed to the Public**

RESOLVED OCM 59/2015

That the meeting go behind closed doors to consider:

10.3.4 CONFIDENTIAL REPORT – Consideration of Tenders – Kostera Oval Reserve Re-Development Project (RFT1504) Reason for Confidentiality Local Government Act 1995 S5.23 (d) (c) – “a contract entered into, or which may be entered into, by the local government which relates to a matter to be discussed at the meeting.”

Moved: **Cr Justin Whitten**

Seconded **Cr Dylan O'Connor**

Vote: **CARRIED UNANIMOUSLY (10/0)**

The meeting closed to the public at 7.30pm.

15.2 Meeting Reopen to the Public

RESOLVED OCM 60/2015

That the meeting reopen to the public.

Moved: **Cr Geoff Stallard**

Seconded: **Cr Andrew Waddell**

Vote: **CARRIED UNANIMOUSLY (10/0)**

The meeting reopened to the public at 7.33 and the presiding member read the Resolution to the meeting.

**15.3 10.3.4 CONFIDENTIAL REPORT – Consideration of Tenders –
Kostera Oval Reserve Re-Development Project (RFT1504)**

Voting Requirements: Simple Majority

RESOLVED OCM 61/2015

That Council:

1. Accepts the recommendation of the Tender Assessment Panel to appoint All Earth Group, for the provision of the Kostera Oval Reserve Re-Development Project (RFT1504) for a total lump sum price of \$1,752,144 (excluding GST).

Moved: **Cr John Giardina**

Seconded: **Cr Geoff Stallard**

Vote: **CARRIED UNANIMOUSLY (10/0)**

16.0 CLOSURE

16.1 There being no further business, the Presiding Member declared the meeting closed at 7.35pm.

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

Signed: _____
Presiding Member

Dated this _____ day of _____ 2015