



# Ordinary Council Meeting

AGENDA

Tuesday 24 June 2025

## **NOTICE OF MEETING**

### **ORDINARY COUNCIL MEETING**

Dear Councillors

Notice is hereby given that the next Ordinary Meeting of Council will be held in the Council Chambers, Administration Centre, 2 Railway Road, Kalamunda on **Tuesday 24 June 2025 at 6.30pm.**



Anthony Vuleta  
**Chief Executive Officer**  
19 June 2025

#### **Acknowledgement of Traditional Owners**

We wish to acknowledge the traditional custodians of the land we are meeting on, the Whadjuk Noongar people. We wish to acknowledge their Elders' past, present and future and respect their continuing culture and the contribution they make to the life of this City and this Region.

#### **Emergency Procedures**

**Please view the position of Exits, Fire Extinguishers and Outdoor Assembly Area as displaced on the wall of the Council Chambers.**

**In case of an emergency follow the instructions given by City Staff.**

**Please remain at the assembly point until advised it is safe to leave.**

# Our Vision



## Connected Communities, Valuing Nature and Creating our Future Together

### Core Values

**Service:** We demonstrate a 'can do' attitude, we listen, we understand, and we go above and beyond when we serve others.

**Professionalism:** We look, speak, act & do what it takes to show others we are reliable, respectful and competent.

**Quality:** We think clearly, plan mindfully, act decisively, measure carefully and review regularly everything we do.

### Aspirational Values

**Courage:** We make brave decisions and take calculated risks to lead us to a bold and bright future. We show courage in our pursuit for the protection of the environment, for the well being of our people and to support the economy.

**Diversity:** We challenge ourselves by keeping our minds open and looking for all possibilities and opportunities.

**Innovation:** We believe in a workplace where you're safe to try new things – where we can push the boundaries of the norm and learn from things that don't always go according to plan. We strive for a just and blameless culture that respects people as individuals and paves the way to genuine learning and improvement.

**Our simple guiding principle will be to ensure everything we do will make the City of Kalamunda socially, environmentally and economically sustainable.**

[kalamunda.wa.gov.au](http://kalamunda.wa.gov.au)



## Webcasting Notice

Please note that tonight's meeting, other than the confidential sessions, are being live streamed and recorded.

All in attendance and those addressing Council should refrain from making offensive/defamatory statements as there may be legal implications.

Council takes all care when maintaining privacy, however members of the public gallery and those addressing Council should be aware that you may be recorded.

## INFORMATION FOR PUBLIC ATTENDANCE

Welcome to this evening's meeting. The following information is provided on the meeting and matters which may affect members of the public.

If you have any queries related to procedural matters, please contact a member of staff.

### Ordinary Council Meetings – Procedures

1. Council Meetings are open to the public, except for Confidential Items listed on the Agenda.
2. Members of the public who are unfamiliar with meeting proceedings are invited to seek advice prior to the meeting from a City Staff Member.
3. To facilitate the smooth running of the meeting, silence is to be observed in the public gallery at all times.
4. All other arrangements are in general accordance with Council's Standing Orders, the Policies and decision of the City or Council.

### Deputations and Public Question Time

These sessions in the Council Meeting provides an opportunity for people to ask any question of the Council or speak publicly on any matter.

#### Public Question Time

Public Question Time session will be conducted in accordance with the provisions of the Local Government Act and the City's Standing Orders.

Where a member of the public raises a question during Public Question Time, a response will be provided where Councillors or staff have the necessary information at hand; if not, a reply will be provided at a later time. There is a limit of one question per speaker per meeting.

#### Deputations

All speakers are limited to ten minutes, with a one-minute warning given to speakers prior to the ten-minute time period elapsing. The commencement and conclusion of time shall be advised by the Mayor/Chairperson.

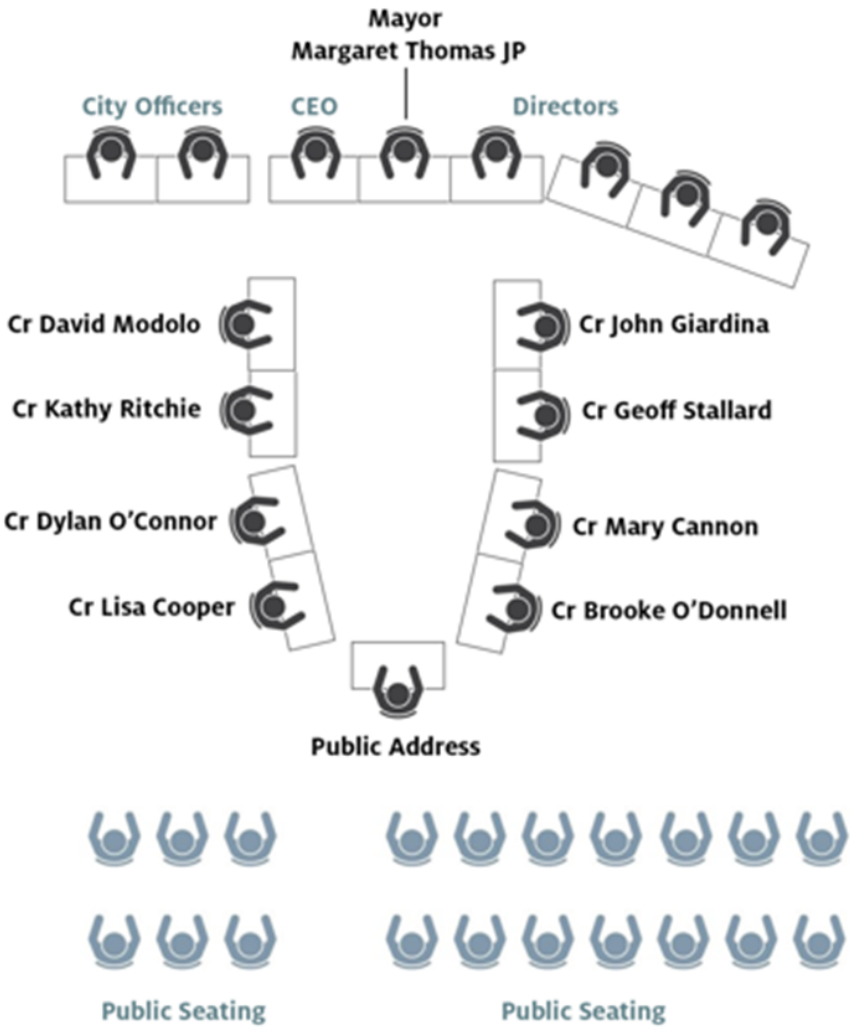
It should be noted that speakers at Council meetings do not enjoy any protection from parliamentary-style privilege. Therefore, they are subject to the risk of defamation action if they make comments about individuals.

In the event that speaker makes potentially offensive or defamatory remarks about any person, the Mayor/Chairperson will ask them to refrain from such comments.

The Mayor/Chairperson has the discretion to withdraw the privilege to speak where a speaker continues to make inappropriate or offensive comments about another person, or make a point of order ruling if a speaker breaches the Guidelines.

Only the audio recording of the public address speakers will be heard on Council's webcast. Visual images of the speaker will not be captured as part of that webcast.

Council Chambers Seating Plan



## Schedule of Agenda Briefing Forums a Council Meetings - 2025

Ordinary Meetings of Council (OCM) commence at 6:30pm.  
Public Agenda Briefing Forums (Agenda Briefing) commence at 6:30pm.

	Agenda Briefing	Ordinary Council
February	Tuesday 11	Tuesday 25
March	Tuesday 11	Tuesday 25
April	Tuesday 8	Tuesday 22
May	Tuesday 13	Tuesday 27
June	Tuesday 11	Tuesday 24
July	Tuesday 8	Tuesday 22
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September	Tuesday 9	Tuesday 23
October	Tuesday 7	Tuesday 14
November	Tuesday 11	Tuesday 25
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1. **Official Opening**
2. **Attendance, Apologies and Leave of Absence Previously Approved**
3. **Public Question Time**

- 3.1. **Questions Taken on Notice at Previous Meeting**

- 3.1.1 Shayla Strapps – Kalamunda (Questions taken on notice 27 May 2025)

Regarding Council's recent decision to sell two parcels of land adjoining the public reserve between McRae Road and Urch Road, as referenced in Agenda Item 10.6.5 February Council meeting.

Q1. What specific information or principles did you rely on when voting in support of this decision?

A1. A business case was presented to the Council, which is included as an attachment to Item 10.6.5 of the February Ordinary Council Meeting. This business case considers a range of matters that inform the recommended decision to divest the subject land, including the strategic basis, site specific considerations, social, environmental, and financial impacts of this decision.

Q2. In the absence of a formal asset disposal policy, how were you guided in determining whether this decision represented "*the greatest community benefit*"?

A2. The Council utilises its integrated planning and reporting framework to guide decisions in the community's interest. It is recognised that some local governments prepare policies to outline more specific criteria for the assessment of asset disposal, which the City is considering as part of its ongoing policy development and review. Should the Council decide to bring this matter forward a policy can be prepared to support decisions to divest land assets.

Q3. How is *sustainability* defined in the context of Council planning and decision-making — is this interpreted to include environmental sustainability or is it limited to financial sustainability? If it includes environmental, what consideration was given to the removal of trees and reduction of public open space?

A3. The City promotes globally recognised definitions of sustainability (UN – 17 Goals of sustainable development) and the Council's vision reinforces a need to balance key social, environmental, and economic principles - A Connected Community, Valuing Nature and Creating our Future together. Tree protection has been considered together with other factors that influence sustainable development practices. The proposal does not reduce the area of Andrew Street Reserve or the provision of assessed public open space in the locality.

Q4. Given that no stakeholder or community engagement occurred prior to the vote, how did you ascertain what the community wanted or needed in this instance?

A4. The City's Strategic Community Plan recognises the Council's strategic intent to use land and assets effectively, maintain assets to meet community expectations and develop improvement plans for City assets such as parks, community facilities and playgrounds to meet the changing needs of the community. The disposal process for local government assets, including engagement requirements, is also set out in the *Local Government Act* and *Local Government (Functions and General) Regulations 1996*.

Q5. Was any consideration given to postponing the decision until an appropriate consultation process or policy framework could be put in place?

A5. In this instance, the Council was provided with a business case and a recommendation to proceed with the commencement of advertising the subject land for sale. The community engagement process for the sale of these assets has commenced and submissions will be invited and reported to the Council before entering into any contracts to complete this sale process.

3.1.2 Nita Parker, High Wycombe (Questions taken on notice 27 May 2025)

Q1. For six years I was on what was then the Conservation Advisory Committee. My daughter has also been on the committee three years more recently, when it was the Environmental and Sustainability Advisory Group.

I'd like to ask on notice how many times since January of 2025 has Council requested some advice from this group?

A1. Since January 2025 the Kalamunda Environmental & Sustainability Advisory Group (KESAG) have met on 5 March 2025. Council has not requested advice from this group since this time.

Q2. 36 William St has been completely denuded of all vegetation in order to facilitate the building of two houses. A mature jarrah tree at the back of this property that abuts onto Poets Lane has been removed from the Verge.

I find that parks and gardens had sanctioned this. I'd like to know if this is going to be the way that these verge trees could be dealt with when future developments are undertaken.

A2. The City approved for two verge trees on Poets Lane to be removed. One dead, the other heavily weighted to the one side with damage to bitumen, with minimal room in the verge space and pending construction works. This made the risk level too high to retain. The resident had to pay for the removal of the healthy tree, with funds used for tree planting within the near vicinity.

In relation to trees within the development site, the Western Australian Planning Commission (WAPC) approved the subdivision of the site, not the City of Kalamunda (which was a referral agency). The initial clearing undertaken was associated with subdivision works as approved by WAPC. As there was no mandatory requirement for the retention of trees on the site, grouped dwellings were subsequently approved by the City. The subject site was also bushfire prone and due to the bushfire attack level (BAL) rating, an Asset Protection Zone (APZ) was required to be established within the lot which also required clearing.

### **3.2. Public Question Time**

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

### **4. Petitions/Deputations**

### **5. Applications for Leave of Absence**

## 6. Confirmation of Minutes from Previous Meeting

That the Minutes of the Ordinary Council Meeting held on 27 May 2025, as published and circulated, are confirmed as a true and accurate record of the proceedings.

Moved:

Seconded:

Vote:

### Statement by Presiding Member

*"On the basis of the above Motion, I now sign the Minutes as a true and accurate record of the meeting of 27 May."*

## 7. Announcements by the Member Presiding Without Discussion

## 8. Matters for Which the Meeting may be Closed

- 8.1 Item 10.2.3 RFT 2501 Provision of Parks Maintenance Services - Award of Tender – **Confidential Attachment** – RFT 2501 Parks Maintenance Services TER

Reason for Confidentiality: *Local Government Act 1995 (WA) Section 5.23 (2) (c) - "a contract entered into, or which may be entered into, by the local government and which relates to a matter to be discussed at the meeting."*

- 8.2 Item 10.6.2 RFT 2501 Provision of Parks Maintenance Services - Award of Tender – **Confidential Attachments** – Creditor Payments for the Period ended 31 May 2025 (Confidential) and Corporate Credit Card Payments for the period 27 March to 24 April 2025 - Confidential

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

- 8.3 Item 10.6.7 RFT 2310 - High Wycombe Community Hub - Request for Variation

Reason for Confidentiality: *Local Government Act 1995 (WA) Section 5.23 (2) (c) - "a contract entered into, or which may be entered into, by the local government and which relates to a matter to be discussed at the meeting."*

**9. Disclosure of Interest**

**9.1. Disclosure of Financial and Proximity Interests**

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

**9.2. Disclosure of Interest Affecting Impartiality**

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

**10. Reports to Council**

**10.1. Development Services Reports**

**10.1.1. Amendment 118 to Local Planning Scheme 3**

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

Previous Items	
Directorate	Development Services
Business Unit	Approval Services
File Reference	PG-LPS-003/118
Applicant	N/A
Owner	N/A
Attachments	1. Scheme Amendment Report [ <b>10.1.1.1</b> - 15 pages]

**TYPE OF REPORT**

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

**STRATEGIC PLANNING ALIGNMENT**

*Kalamunda Advancing Strategic Community Plan to 2031*

**Priority 3: Kalamunda Develops**

**Objective 3.1** - To plan for sustainable population growth.

**Strategy 3.1.1** - Plan for diverse and sustainable activity centres, housing, community facilities and industrial development to meet future growth, changing social, economic and environmental needs.



### Priority 3: Kalamunda Develops

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

**Strategy 3.3.1** - Facilitate and support the success and growth of businesses

**Strategy 3.3.3** - Plan for strong activity centres and employment areas to meet the future needs of the community, industry, and commerce.

## EXECUTIVE SUMMARY

1. The purpose of this report is for Council to consider whether to adopt Amendment 118 (A118) to Local Planning Scheme 3 (LPS3) for the purpose of public advertising.
2. The scheme amendment proposes to amend LPS3 to update the scheme text to introduce new and revised land use classes and general definitions to facilitate State Government reforms for Short Term Rental Accommodation (STRA).
3. It is recommended that the Council resolve to adopt A118 to LPS3 for the purposes of public advertising.

## BACKGROUND

4. On 9 November 2023, the State Government announced new regulations for Short-Term Rental Accommodation (STRA) in Western Australia.  
  
The State government also progressed amendments to the *Planning and Development (Local Planning Schemes) Regulations 2015* (Regulations) to introduce 'Hosted Short-Term Rental Accommodation' and 'Unhosted Short-Term Rental Accommodation' land uses and associated exemptions from the requirement to obtain development approval.
5. The State Government has advised all local governments will be expected to amend their local planning schemes to implement the changes, which will ensure determinations can be issued ahead of STRA Registration Scheme becoming mandatory.
6. 'Hosted Short-Term Rental Accommodation' will be exempt from requiring any development approval.
7. 'Unhosted Short-Term Rental Accommodation' will be exempt from requiring any development approval if the property is not rented for more than 90 nights in a 12-month period.

8. The amendments to the Regulations have now been finalised which include:
  - a) New definitions to be introduced into all local planning schemes which deal with STRA;
  - b) Statewide exemptions from development approval for hosted STRA properties;
  - c) Exemptions for unhosted STRA within the Perth metropolitan area where the owner does not intend to rent their property out for more than 90 nights within a 12-month period;
  - d) Revised tourism land uses that can be adopted into local planning schemes.
9. Ultimately the proposed amendments to the Scheme will make it easier for landowners to pursue short term accommodation within the City of Kalamunda (City), which aligns with multiple strategic aspirations of the City, and broadly will result in good planning outcomes.
10. The City has prepared Amendment 118 to LPS3 to align with the Regulations.

## **DETAILS AND ANALYSIS**

11. Amendment 118 to LPS3 is contained as Attachment 1, proposing to replace existing STRA land uses with new land uses to align with the Regulations.
12. In accordance with the Western Australian Planning Commission's Planning Bulletin 115/2024, the following amendments to LPS 7 are mandatory by 1 January 2026, although amendments are to be finalised preferably by mid-2025:
  - a) Introduce new 'hosted short-term rental accommodation' deemed use class, to replace 'bed and breakfast' where applicable. Assign as a 'P' use in all zones where any type of dwelling is capable of approval, to reflect state-wide exemption.
  - b) Introduce new 'unhosted short-term rental accommodation' deemed use class, to replace 'holiday house' and similar where applicable. Assign as a 'D' or 'A' use in all zones where any type of dwelling is capable of approval, 'P' in Tourism zones and 'X' in remaining zones, to reflect direction in the WAPC's Position Statement (November 2023).

13. STRA is currently considered under LPS3 as follows:

Land Use	Definition
Bed and Breakfast	means a dwelling, used by a resident of the dwelling, to provide accommodation for persons away from their normal place of residence on a commercial basis and includes the provision of breakfast, but does not include a lodging house.
Chalets – short term accommodation	means an individual self-contained unit usually comprising cooking facilities, ensuite, living area and one or more bedrooms designed to accommodate short-stay guests, forming part of a tourism facility and where occupation by any person is limited to a maximum of three months in any 12-month period.
Motel	means premises used to accommodate patrons in a manner similar to a hotel but in which specific provision is made for the accommodation of patrons with motor vehicles and may comprise premises licensed under the Liquor Licensing Act 1988
Tourist development	means a building, or a group of buildings forming a complex, other than a bed and breakfast, a caravan park or holiday accommodation, used to provide –  (a) short-term accommodation for guests; and (b) on-site facilities for the use of guests; and (c) facilities for the management of the development;

The amendment seeks to delete all the above land uses from LPS3.

14. This amendment seeks to introduce the following land uses into the Zoning Table of LPS3 as outlined in the Amendment Report in Attachment 1:

Land Use	Definition
Hosted Short Term Rental Accommodation	means any of the following — (a) short-term rental accommodation where the owner or occupier, or an agent of the owner or occupier who ordinarily resides at the dwelling, resides at the same dwelling during the short-term rental arrangement; (b) short-term rental accommodation that is an ancillary dwelling where the owner or occupier, or an agent of the owner or occupier who ordinarily resides at the other dwelling on the same lot, resides at that other dwelling during the short-term rental arrangement;

	(c) (c) short-term rental accommodation that is a dwelling on the same lot as an ancillary dwelling where the owner or occupier, or an agent of the owner or occupier who ordinarily resides at the dwelling, resides at the ancillary dwelling during the short-term rental arrangement
Unhosted Short Term Rental Accommodation	means short-term rental accommodation that — (a) is not hosted short-term rental accommodation; and (b) accommodates a maximum of 12 people per night
Tourist and Visitor Accommodation	<p>(a) means a building, or a group of buildings forming a complex, that —</p> <ul style="list-style-type: none"> <li>(i) is wholly managed by a single person or body; and</li> <li>(ii) is used to provide accommodation for guests, on a commercial basis, with no individual guest accommodated for a period or periods exceeding a total of 3 months in any 12-month period; and</li> <li>(iii) may include on-site services and facilities for use by guests; and</li> <li>(iv) in the case of a single building — contains more than 1 separate accommodation unit or is capable of accommodating more than 12 people per night;</li> </ul> <p>and</p> <p>(b) includes a building, or complex of buildings, meeting the criteria in paragraph (a) that is used for self-contained serviced apartments that are regularly serviced or cleaned during the period of a guest's stay by the owner or manager of the apartment or an agent of the owner or manager; but</p> <p>(c) does not include any of the following —</p> <ul style="list-style-type: none"> <li>(i) an aged care facility as defined in the Land Tax Assessment Act 2002 section 38A(1);</li> <li>(ii) a caravan park;</li> <li>(iii) hosted short-term rental accommodation;</li> <li>(iv) a lodging-house as defined in the Health (Miscellaneous Provisions) Act 1911 section 3(1);</li> <li>(v) a park home park;</li> <li>(vi) a retirement village as defined in the Retirement Villages Act 1992 section 3(1);</li> <li>(vii) a road house;</li> <li>(viii) workforce accommodation</li> </ul>

These land uses in the table above will align with the definitions referenced within the Regulations.

15. This amendment also seeks to introduce two new definitions into Schedule 1(1) – General Definitions of LPS3:
- a) Cabin
  - b) Chalet

These general definitions will align with the Regulations. The definitions are also provided below:

General Definition	Definition
Cabin	means a building that — <ul style="list-style-type: none"> <li>(a) is an individual unit other than a chalet; and</li> <li>(b) forms part of — <ul style="list-style-type: none"> <li>i. tourist and visitor accommodation; or</li> <li>ii. a caravan park; and</li> </ul> </li> <li>(c) if the unit forms part of a caravan park — is used to provide accommodation for persons, on a commercial basis, with no individual person accommodated for a period or periods exceeding a total of 3 months in any 12-month period</li> </ul>
Chalet	means a building that — <ul style="list-style-type: none"> <li>(a) is a self-contained unit that includes cooking facilities, bathroom facilities and separate living and sleeping areas; and</li> <li>(b) forms part of — <ul style="list-style-type: none"> <li>i. tourist and visitor accommodation; or</li> <li>a caravan park; and</li> </ul> </li> <li>(a) (c) if the unit forms part of a caravan park — is used to provide accommodation for persons, on a commercial basis, with no individual person accommodated for a period or periods exceeding a total of 3 months in any 12-month period</li> </ul>

Therefore, 'Cabin' and 'Chalet' are 'general definition' and no longer a land use. They will either fall into the land use definition of a 'Caravan Park' or a 'Tourist and Visitor Accommodation.'

## **APPLICABLE LAW**

### **16.           *Planning and Development Act 2005 (PD Act)***

The PD Act is legislation that establishes Western Australia's land use planning system, including the making and amending of local planning schemes.

Pursuant to Regulation 47, and in accordance with s81 and s82 of the PD Act, following adoption, scheme amendments are generally referred to the Environmental Protection Authority (EPA) for their comments.

However, in accordance section 81(2) of the *Planning and Development Act 2005* and section 48AAA of the *Environmental Protection Act 1986*, Amendment 118 to LPS3 is not required to be referred to the EPA. This because it is an amendment to include or alter a definition of a land use category that would not materially impact the operation of the planning scheme. The proposed amendments would replace existing STRA land use definitions and would not influence the substantive nature or operation of LPS3. The Policy would provide a comprehensive framework for the assessment of development applications proposing STRA throughout the City.

### **17.           *Planning and Development (Local Planning Scheme) Regulations 2015***

Regulation 35 of the Regulations requires a resolution of a local government to adopt or refuse to adopt an application to amend a local planning scheme, as well as justification for the type of amendment proposed (basic, standard, or complex).

Pursuant to Regulation 35, the proposal is considered to be a 'standard amendment' for the following reasons:

- a)     The amendment would have minimal impact on land in the scheme area that is not the subject of the amendment;
- b)     The amendment does not result in any significant environmental, social, economic or governance impacts on land in the scheme area;
- c)     The amendment is not considered a complex or basic amendment.
- d)     The amendment would be consistent with Planning Bulletin 115/2024, which states that if a scheme amendment introduces or changes permissibility for new short-term rental and traditional accommodation uses, it will be generally progressed as a standard

amendment.

### **APPLICABLE POLICY**

18. Planning Bulletin 115/2024 provides guidance for Local Government in implementing the changes through the planning framework for STRA.

This amendment has been conducted in accordance with the guidance provided in Planning Bulletin 115/2024.

19. The City's Local Planning Policy 29 – Unhosted Holiday Houses was adopted by Council at its Ordinary Council Meeting on 22 September 2020.

The policy seeks to provide direction on the assessment of development applications for unhosted holiday houses within the City of Kalamunda without adversely affecting the amenity of neighbouring properties and to support tourism.

The City forecasts reviewing this Policy to reflect the updated planning framework, and further explore ways to achieve good planning outcomes as they relate to short term accommodation within the City.

### **STAKEHOLDER ENGAGEMENT**

20. In accordance with the Regulations, public notice of a scheme amendment must be published on the City's website.

21. Consultation will be conducted in accordance with the City's Public Notification of Planning Proposals Local Planning Policy 11 for a standard scheme amendment.

The amendment will be advertised for a minimum period of 42 days.

22. The *Planning and Development Act 2005* requires that once Council has resolved to prepare a scheme amendment, approval of the Minister for Planning is required before community consultation can commence.

Should Council support the preparation of Amendment 118 to LPS3, the amendment will be forward to the Western Australian Planning Commission (WAPC) for consideration.

23. The outcomes of community consultation, including any submissions received, will be presented at a future Council meeting for consideration of a recommendation to the WAPC on Amendment 118.

## FINANCIAL CONSIDERATIONS

24. No immediate financial costs are anticipated as a direct outcome of this initiation report. Costs associated with scheme amendments are to be met through the Development Services annual budget.

## SUSTAINABILITY

25. Social Implications  
The scheme amendment will simplify the planning process as it will align with the State Government's exemptions for STRA, simplifying the development approval processes and once operating, accommodation may contribute to achieving the social and cultural objectives of Kalamunda Advancing and associated strategic documents.
26. Economic Implications  
The scheme amendment by simplifying the planning process is expected to allow some proposals to proceed without the need to provide expensive technical reports for bushfire assessment. Short stay accommodation within the City facilitates retention of visitors to the City's tourism attractions, aligning with broad tourism goals.
27. Environmental Implications  
The Scheme Amendment does not propose any direct environmental impact. Development Applications are required to deal with relevant environmental matters through the planning assessment and approval processes.

## RISK MANAGEMENT

- 28.
- |  |                   |               |
|--|-------------------|---------------|
| <b>Risk:</b> The Amendment is not progressed to the required standard or within the required timeframes, resulting in non-compliance with the <i>Planning and Development Act 2005</i> and the <i>Planning and Development (Local Planning Schemes) Regulations 2015</i> . |                   |               |
| <b>Consequence</b>   | <b>Likelihood</b> | <b>Rating</b> |
| Moderate   | Unlikely          | Low           |
| <b>Action/Strategy</b>   |                   |               |
| Action the Officer Recommendation.   |                   |               |



29.

**Risk:** The Western Australian Planning Commission and Minister for Planning direct the City to advertise the amendment as complex.

Consequence	Likelihood	Rating
Moderate	Unlikely	Low

**Action/Strategy**

The time frame for this amendment allows for an advertising process to be completed.

Furthermore, Planning Bulletin 115/2024 states that if a scheme amendment introduces or changes permissibility for new STRA and traditional accommodation uses, it will be generally progressed as a standard amendment.

30.

**Risk:** Council resolves not to proceed with Amendment 118 for the purpose of advertising.

Consequence	Likelihood	Rating
Moderate	Unlikely	Low

**Action/Strategy**

The Minister for Planning may direct Amendment 118 to LPS3 to be completed without Council involvement in accordance with section 76 of the *Planning and Development Act 2005*.

## CONCLUSION

31. The proposed changes of Amendment 118 to LPS3 would ensure consistency with the recent updates to the Regulations.

32. It is recommended that the Council resolve to adopt A118 to LPS3 as outlined in Attachment 1 for the purposes of public advertising.

### Voting Requirements: Simple Majority

## RECOMMENDATION

That Council:

1. RESOLVE to prepare Amendment 118 to Local Planning Scheme No.3 as included in Attachment 1 for the purpose of community consultation, pursuant to Section 75 of the *Planning and Development Act 2005*.

2. CONSIDER Amendment 118 to Local Planning Scheme No. 3 as a standard amendment pursuant to Clause 35 of the *Planning and Development (Local Planning Schemes) Regulations 2015* for the following reasons:
  - a) The amendment would have minimal impact on land in the scheme area that is not the subject of the amendment;
  - b) The amendment does not result in any significant environmental, social, economic or governance impacts on land in the scheme area;
  - c) The amendment is not considered a complex or basic amendment;
  - d) The amendment would be consistent with Planning Bulletin 115/2024, which states that if a scheme amendment introduces or changes permissibility for new short-term rental and traditional accommodation uses, it will be generally progressed as a standard amendment.
3. FORWARD Amendment 118 to Local Planning Scheme No. 3 to the Western Australian Planning Commission for a recommendation to the Minister for Planning to approve the proposed amendment for advertising pursuant to Clause 46B of the *Planning and Development (Local Planning Schemes) Regulations 2015*.
4. Subject to receiving approval from the Minister for Planning, ADVERTISE Amendment 118 to Local Planning Scheme No. 3 pursuant to Clause 47(1) of the *Planning and Development (Local Planning Scheme) Regulations 2015*.
5. NOTE that in accordance with Section 81(2) of the Planning and Development Act 2005, Amendment 118 to Local Planning Scheme No. 3 is not required to be referred to the Environmental Protection Authority. This is because it is an amendment to include or alter a definition of a land use category that would not materially impact the operation of the planning scheme. The proposed amendments would replace existing short-term rental accommodation land use definitions and would not have effect on the substantive nature or operation of the City's Local Planning Scheme No. 3.
6. REQUEST the Chief Executive Officer to review Local Planning Policy 29 – Unhosted Holiday Houses, which relates to the subject matter of the proposed amendment.

## 10.2. Asset Services Reports

### 10.2.1. Main Roads WA Black Spot Submission 2026-2027

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

Previous Items	OCM 238/2021; OCM 115/2022
Directorate	Asset Services
Business Unit	Asset Delivery
File Reference	4.00011768
Applicant	N/A
Owner	N/A
Attachments	<ol style="list-style-type: none"> <li>1. WRE Lewis Concept Design R 20.22 Rev A 48 [10.2.1.1 - 1 page]</li> <li>2. Letter request Tonkin highway Corridor combined [10.2.1.2 - 6 pages]</li> </ol>

#### TYPE OF REPORT

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

#### STRATEGIC PLANNING ALIGNMENT

*Kalamunda Advancing Strategic Community Plan to 2031*

**Priority 1: Kalamunda Cares and Interacts**

**Objective 1.2** - To provide a safe and healthy environment for community to enjoy.

**Strategy - 1.2.1** Facilitate a safe community environment.

### Priority 3: Kalamunda Develops

**Objective 3.2** - To connect community to key centres of activity, employment and quality amenities.

**Strategy 3.2.3** - Provide and advocate for improved transport solutions and better connectivity through integrated transport planning.

## EXECUTIVE SUMMARY

1. The purpose of this report is to seek Council's endorsement to submit a 2026/27 application for the Black Spot Program and to confirm in-principle support for the allocation of municipal funding in 2026/27 to progress the design and service relocation phase. This phase is required to make the project shovel-ready and eligible for external construction funding.
2. The City of Kalamunda (City) also proposes to submit the project to the Metropolitan Regional Road Group (MRRG) Improvement Program as a contingency, given the high overall project cost and the funding cap under the Black Spot Funding program.
3. The proposed project is a two-lane roundabout at the intersection of Welshpool Road East and Lewis Road, where 51 crashes were recorded between 2020 and 2024, including multiple injury crashes.
4. While the project achieves a high Benefit-Cost Ratio (BCR) of 5.96 and therefore qualifies for 100% Federal funding, the total cost estimate of \$3.8 million exceeds the \$3 million cap, requiring the City to fund the preliminary design and service relocation phase in advance.
5. This report seeks Council's endorsement to proceed with both submissions and to confirm in-principle support for allocating municipal funds in 2026/27 for the preliminary works required to unlock external funding opportunities.
6. This report seeks Council's endorsement to proceed with the Black Spot submission and to confirm support for allocating municipal funding in 2026/27 for design and relocation. Should the MRRG application be approved instead, the City would progress the project under that model.

## BACKGROUND

7. Each year, Main Roads Western Australia (MRWA), through the MRRG, invite submissions for funding under the Black Spot program. Submissions are due in July to be considered for funding in the following financial year, commencing one year later.

8. A key requirement of the Black Spot Program is the calculation of a BCR, which measures the expected road safety benefits of a project compared to its cost. The BCR is used to prioritise funding based on value for money and crash reduction outcomes.
9. The funding model is determined by the BCR:
  - If the BCR is greater than 1.0 the project is eligible for MRRG Black Spot Program (State) funding, with costs shared on a  $\frac{2}{3}$  State and  $\frac{1}{3}$  Local Government basis.
  - If the BCR is 2.0 or greater, the project may qualify for the Australian Government Black Spot Program (AGBS) (Federal) funding, which can provide 100% funding (fully funded).
10. However, both Black Spot Programs have total project funding caps of \$3,000,000, and based on advice to date, projects exceeding this threshold is deemed ineligible for AGBS funding, even with a high BCR.
11. The City is currently working closely with both MRRG and MRWA to seek direction regarding the possibility of an early submission, which would help provide clearer guidance on where the City should be focusing its strategic efforts,
12. Crash data released by the state demonstrates the Welshpool Road East/ Lewis Road should be assessed for treatment.
13. **Crash Summary**

Between 2020 – 2024, there have been a total of 51 accidents reported on Welshpool Road East to Lewis Road intersection.

  - 5 required hospital treatment
  - 13 required medical treatment
  - 28 PDO major
  - 4 PDO minor

*\*PDO (Property Damage Only): Major indicates significant damage (e.g. requiring towing); Minor involves only minor vehicle damage with no injuries.*
14. These crash statistics support the need for a long-term upgrade. A concept design for a two-lane roundabout has been prepared (Attachment 1) and forms the basis for funding applications.
15. The proposed solution is to reduce right-angle crashes and improve traffic flow through a high-speed RAV route.

## DETAILS AND ANALYSIS

16. The volume and severity of crashes at this intersection clearly demonstrate a need for intervention. The high BCR of 5.96 further reinforces the value-for-money and expected reduction in crash costs. This qualifies the project for AGBS funding but introduces a challenge due to the \$3 million funding cap.

17. As the AGBS Program only funds up to \$3 million, the City must fund Stage 1 using municipal resources. This would allow the project to be for construction in 2027/28 if the application is successful.

18. The proposed solution has been staged to align with the external AGBS Program funding limits and timeline as follows:

Stage	Year	Description	City Municipal Cost	AGBS Cost
1	2026/27	Service Relocation	\$863,063	
2	2027/28	Construction		\$2,953,718
<b>Total Estimated Cost</b>				<b>\$3,816,781</b>

19. **MRRG Improvement Program Submission (Contingency Pathway)**  
Given the project's scale and the AGBS program's funding cap, the City has also submitted the project to the MRRG Improvement Program. This program:

- Funds both design and construction in consecutive years
- Requires a  $\frac{1}{3}$  municipal and  $\frac{2}{3}$  State contribution
- Follows similar delivery timelines to the Black Spot Program

20. However, this funding strategy will cost the City \$409,198 more than the Black Spot method.

Stage	Year	Description	City Municipal Cost ( $\frac{1}{3}$ )	MRRG Cost ( $\frac{2}{3}$ )	Cost
1	2026/27	Service Relocation	\$287,688	\$575,375	\$863,063
2	2027/28	Construction	\$984,573	\$1,969,145	\$2,953,718
<b>Total Estimated Cost</b>			<b>\$1,272,261</b>	<b>\$2,544,520</b>	<b>\$3,816,781</b>

21. The City would proceed under whichever funding program is successful. Both options require the design and relocation phase to be completed in 2026/27 to meet construction timelines in 2027/28.

#### **APPLICABLE LAW**

22. *Local Government Act 1995*

#### **APPLICABLE POLICY**

23. Nil.

#### **STAKEHOLDER ENGAGEMENT**

24. Residents affected by the project will be consulted during the detailed design and construction phases of the project. A community engagement plan will be developed to guide this process and ensure transparent, timely, and meaningful engagement.
25. The City has advocated for the inclusion of this intersection upgrade as part of the broader MRWA Tonkin Highway and Hale Road infrastructure project. This included a letter from the City's Chief Executive Officer to key decision-makers, including the Deputy Premier (Minister for Transport), the Minister for Planning, the Member for Forrestfield, and the Federal Member for Swan, requesting that the intersection be incorporated into the overall project scope.
26. While the intersection was ultimately not included in the MRWA scope, the City continues to pursue improvements independently through the Black Spot Program, to address the ongoing safety and traffic concerns at this location.
27. The City remains actively engaged in working group meetings with MRWA for the Tonkin Highway–Hale Road grade separation project to ensure that future construction activities do not conflict with the City's proposed works at Welshpool Road East and Lewis Road.
28. The City has been working closely with MRWA and MRRG to confirm funding eligibility and refine the project staging. Advice received has guided the current strategy and reinforced the need to be shovel-ready to strengthen the Black Spot submission.

## FINANCIAL CONSIDERATIONS

### 29. **Black Spot Pathway (Preferred):**

- **Municipal:** \$863,063 (23%)  
To complete service relocations in 2026/27
- **AGBS Grant:** \$2,953,718 (77%)  
AGBS funding (applied to construction in 2027/28)
- **Total Project Cost:** \$3,816,781

### 30. **MRRG Improvement Pathway (Contingency):**

- **Municipal:** \$1,272,260 (33.33%)
- **MRRG Grant:** \$2,544,521 (66.67%)
- **Total Project Cost:** \$3,816,781

31. Municipal funding of \$863,062 in 2026/27 is essential to initiate service relocations. This early investment secures the project's shovel-ready status and ensures eligibility under both the AGBS Program (preferred pathway) and the MRRG Improvement Program (contingency pathway). The MRRG pathway results in an additional cost of \$409,198 for the City.

## SUSTAINABILITY

32. Crashes have been identified as a road user cost which impacts individuals and the general community through insurance premiums, cost of services and injuries, lost productivity for businesses, and loss in efficiency from the road network.

33. While the project involves some tree clearing, an environmental assessment will be undertaken to ensure impacts are minimised and managed appropriately.

## RISK MANAGEMENT

34.	<b>Risk:</b> The Submission is not approved for funding through the Black Spot Program.		
	<b>Consequence</b>	<b>Likelihood</b>	<b>Rating</b>
	Moderate	Possible	Medium
	<b>Action/Strategy</b>		
	Provide adequate and detailed information to support the project submissions. Seek information on submission requirements. Ensure there are alternatives available and resubmit when needed. Seek other grant funds through MRRG Road Improvement Program.		



35.

<b>Risk:</b> The Submission does not achieve the crash reductions that are intended or otherwise creates unintended consequences.		
<b>Consequence</b>	<b>Likelihood</b>	<b>Rating</b>
Moderate	Unlikely	Low
<b>Action/Strategy</b>		
The treatment selection methodology has been thoroughly tested, and the process includes significant oversight and is supported by BCR modelling. Post-implementation review will assess treatment outcomes.		

## CONCLUSION

36. The Welshpool Road East / Lewis Road intersection requires permanent safety treatment due to its high crash history and strategic location. The City has developed a concept for a two-lane roundabout and intends to submit the project to both the AGBS and MRRG Improvement programs to maximise funding opportunities.
37. To remain eligible and meet external funding timelines, the City must commit to the design and relocation phase in 2026/27 using municipal funds.

### Voting Requirements: Simple Majority

## RECOMMENDATION

### That Council:

1. ENDORSE the submission of a funding application for the Welshpool Road East / Lewis Road intersection upgrade to the Australian Government Black Spot Program, with a view to securing construction funding in 2027/28.
2. AUTHORISE the Chief Executive Officer to include a municipal funding contribution towards service relocation costs for Council's consideration as part of the 2026/27 annual budget process.
3. NOTE that the City of Kalamunda has also submitted the project for funding under the MRRG Improvement Program as an alternative funding pathway and will proceed under this model if Black Spot application is unsuccessful.

10.2.2.      **Capital Work EOI/Tenders CEO Delegation 2025/26**

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

Previous Items	
Directorate	Asset Services
Business Unit	Asset Delivery
File Reference	
Applicant	N/A
Owner	N/A
Attachments	Nil

**TYPE OF REPORT**

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

**STRATEGIC PLANNING ALIGNMENT**

*Kalamunda Advancing Strategic Community Plan to 2031*

**Priority 3: Kalamunda Develops**

**Objective 3.2** - To connect community to key centres of activity, employment and quality amenities.

**Strategy 3.2.1** - Ensure existing assets are maintained to meet community expectations.

**Strategy 3.2.2** - Develop improvement plans for City assets such as parks, community facilities, playgrounds to meet the changing needs of the community.

**Strategy 3.2.3** - Provide and advocate for improved transport solutions and better connectivity through integrated transport planning.

## EXECUTIVE SUMMARY

1. The purpose of this report is to consider the Expression of Interest (EOI) and subsequent Request for Tender (RFT) process to award:
  - EOI 2025-01 & RFT 2507 - 2025/26 Capital Work EOI and Tender - Roads, Drainage & Footpaths.
  - EOI 2025-02 & RFT 2508 for the 2025/26 Capital Work EOI and Tender – Builders Works.The above is contingent on the program value being within the 2025/26 adopted budget (including contingency).
2. These two procurement packages will enable the timely delivery of the City of Kalamunda (the City) Capital Works Program, which includes vital infrastructure upgrades across the City. Delegating authority to the Chief Executive Officer (CEO) streamlines project delivery and ensures efficient contract management.

## BACKGROUND

3. The City delivers an annual Capital Works Program which includes a combination of new infrastructure projects and renewal of existing assets. These works are essential for maintaining and enhancing the level of service provided to the community across roads, footpaths, drainage, and built infrastructure.
4. The Capital Works Program is developed in alignment with strategic planning documents and asset management plans. It addresses both community growth and the need to replace ageing infrastructure nearing or at the end of its useful life.
5. A key challenge in delivering the program is the limited 12-month window available each financial year to complete planning, procurement, construction, and close-out activities.

## DETAILS AND ANALYSIS

6. To support the efficient procurement and delivery of works for the 2025/26 financial year, the City is seeking to commence an EOI process. This pre-qualification process is intended to identify suitably qualified contractors for two specific construction packages:

7. **EOI 2025-01 & RFT 2507 - Roads, Drainage & Footpaths**  
This tender will cover civil infrastructure works, including roads, drainage improvements and footpath construction identified within the 2025/26 Capital Works Program.
8. **EOI 2025-02 & RFT 2508 - Builders Works**  
This tender includes works that require a registered Builder, such as shelters, storage sheds, public toilets and building refurbishments.
9. This approach of combining an EOI and tender into a single process facilitates early engagement with contractors and enables faster contract award and mobilisation once the annual budget is adopted.
10. To avoid delays and maximise the construction window, it is recommended that Council delegate authority to the CEO to award both tenders, provided they fall within the approved 2025/26 budget (including contingency).

#### **APPLICABLE LAW**

11. *Local Government Act 1995*

#### **APPLICABLE POLICY**

12. CEOD-CS51 – Purchasing

#### **STAKEHOLDER ENGAGEMENT**

13. Relevant internal stakeholders, including Asset Management, Community Development and Finance have been involved in preparing the 2025/26 Capital Works Program.

#### **FINANCIAL CONSIDERATIONS**

14. Tenders RFT 2507 and RFT 2508 will form part of approved annual budgets in 2025/26 Capital Works Program.

#### **SUSTAINABILITY**

15. Not Applicable

## RISK MANAGEMENT

16.	<b>Risk:</b> Construction tenders exceed budget allowance necessitating additional funding or reduction in project scope.		
	<b>Consequence</b>	<b>Likelihood</b>	<b>Rating</b>
	Significant	Possible	High
	<b>Action/Strategy</b>		
	Combined tender(s) allow for quick identification of Contract Price. Price could be elevated due to individual items. These individual items could be removed from the Contract and Tendered separately.		

## CONCLUSION

17. The combined EOI and RFT process will support timely delivery of the 2025/26 Capital Works Program. Delegating contract award authority to the CEO will improve responsiveness, allow early commencement, and help ensure the City delivers its approved program within the required timeframe.

### Voting Requirements: Absolute Majority

## RECOMMENDATION

That Council:

1. NOTE the Expression of Interest process for Roads, Drainage and Footpaths (EOI 2025-01) and Builders Works (EOI 2025-02).
2. DELEGATE, in accordance with s5.42(1) of the *Local Government Act 1995*, to the Chief Executive Officer the authority to award the construction contract for Roads, Drains and Footpaths Expression Of Interest (EOI 2025-01) and Request for Tender (RFT 2507), not to exceed the amount included in the adopted 2025/26 Capital Works Budget SUBJECT to Council being briefed on the outcomes of the construction tender prior to award.
3. DELEGATE, in accordance with s5.42(1) of the *Local Government Act 1995*, to the Chief Executive Officer the authority to award the construction contract for Builders Works Expression Of Interest (EOI 2025-02) and Request for Tender (RFT 2508), not to exceed the amount included in the adopted 2025/26 Capital Works Budget SUBJECT to Council being briefed on the outcomes of the construction tender prior to award.

### 10.2.3. RFT 2501 Provision of Parks Maintenance Services - Award of Tender

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

Previous Items	OCM 183/2012; OCM 86/2020
Directorate	Asset Services
Business Unit	Parks & Environmental Services
File Reference	AD-TEN-005
Applicant	N/A
Owner	N/A
Attachments	Nil
Confidential Attachment	<u>Reason for Confidentiality:</u> <i>Local Government Act 1995 s5.23 (c)</i> <i>"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>

#### TYPE OF REPORT

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

#### STRATEGIC PLANNING ALIGNMENT

*Kalamunda Advancing Strategic Community Plan to 2031*

**Priority 2: Kalamunda Clean and Green**

**Objective 2.1** - To protect and enhance the environmental values of the City

### Priority 3: Kalamunda Develops

**Objective 3.2** - To connect community to key centres of activity, employment and quality amenities.

**Strategy 3.2.1** - Ensure existing assets are maintained to meet community expectations.

## EXECUTIVE SUMMARY

1. The purpose of this report is to consider the acceptance of a tender for the provision of parks maintenance services for the City of Kalamunda (City).
2. Services of the City's parks and verges is an integral part of the City's services and conducted on a programmed basis throughout the City to ensure a high degree of playability and presentation of City assets.
3. It is recommended that Council accept the Schedule of Rates tender from Prestige Property Maintenance PTY LTD for a three-year period, with two single year options for extension. The award of extensions is based on the contractors' performance against a monitored set of measurable Key Performance Indicators (KPIs).

## BACKGROUND

4. The City of Kalamunda is seeking the services of a dedicated Public Open Space (POS) Maintenance Contractor, to provide parks maintenance services to selected Public Open Space (POS) locations within the City. Generally, the POS is in the Wattle Grove, High Wycombe, and Forrestfield areas. The contract also requires different mowing services to suit active, passive, un-irrigated POS and verge locations. The garden maintenance is of a routine nature.
5. The contract covers the provision of services as listed below:
  - a) Mowing of sports ovals, civic lawns, drainage reserves and public open spaces
  - b) Garden maintenance, including herbicide applications, removal of dead vegetation and pruning
  - c) Litter and green waste collection and disposal on Public Open Spaces
  - d) Pedestrian and basic traffic management for works on parks and road verges
  - e) Brush cutting
  - f) Chemical and mechanical edging
  - g) Weed control in car parks, paved, gravelled, mulched areas and gardens
  - h) Maintenance and hazard reporting

- i) Slashing of unkempt residential verges
- j) Roundabout and selected median maintenance.

## DETAILS AND ANALYSIS

6. The City issued RFT 2501, through its E-Tendering Portal and an advertisement in the West Australian Newspaper on Wednesday 12 March 2025, seeking to engage a contractor to complete the parks maintenance program. Tenders closed 14:00 AWST Wednesday, 2 April 2025 with eight tender submissions being received.
7. An Evaluation Panel was convened from suitably qualified City officers to assess the tender submission.
8. The Tender assessment was a four-stage process, with compliance with the tender invitation being the first. The compliant tender was then assessed against the tender qualitative criteria as shown in the below table.

Qualitative Criteria	Weighting
Relevant Experience	35%
Tenderer's Resources	25%
Work Health and Safety	35%
Local Benefits	5%

9. The three tenderers who exceeded the Qualitative Pass Mark (QPM) were then assessed on price.
10. Of the three tenderers considered, Prestige Property Maintenance PTY LTD offered the best value for money for the City.
11. This contract has a Schedule of Rates to provide a scope works as required currently by the City. The Schedule of Rates includes additional services should they be required by the City.
12. The tender evaluation report is provided as Confidential Attachment 1 to this report.
13. The Tenderer was able to satisfy the City's requirements in terms of:
  - a) Meeting or exceeding the qualitative assessment benchmark;
  - b) Proven capacity and capability to undertake the work;
  - c) Satisfying reference checks from previous clients;



- d) Satisfying independent financial reference checks of the proposed contractor; and
- e) Providing value for money.

- 14. The Evaluation Panel recommends contractors Prestige Property Maintenance PTY LTD, based on having satisfied all criteria in the evaluation process and having submitted the best value for money submission.
- 15. The basis of the contract is to engage the contractor on an agreed schedule of rates.
- 16. The contract is proposed to be for an initial term of three years with a further two single year extensions at the discretion of the City. Escalation of the schedule of rates has been set as changes to CPI for each year that the contract is in force.

#### **APPLICABLE LAW**

- 17. Section 3.57 of the *Local Government Act 1995*.  
Part 4 of the *Local Government (Functions and General) Regulations 1996*.

#### **APPLICABLE POLICY**

- 18. CEOD – CS51 – Purchasing, has been followed and complied with.

#### **FINANCIAL CONSIDERATIONS**

- 19. The rates presented show an increase in costs to provide the same level of service, equivalent to an additional \$225,000 per annum. The difference in cost can be attributed to traffic management and increasing labour costs.

#### **SUSTAINABILITY**

- 20. Nil

## RISK MANAGEMENT

21.

**Risk:** The Contractor fails to fulfil the requirements of the contract, resulting in increased costs to the City or delays in completing the works.

Consequence	Likelihood	Rating
Moderate	Unlikely	Low

### Action/Strategy

- a) Corporate scorecard confirms financial viability of the contractor.
- b) A formal and detailed qualitative criteria process carried out to minimise risk.

## CONCLUSION

22. The delivery of Tender RFT 2501 Parks Maintenance Services will mitigate the City's exposure to reputational risk associated with the presentation of active and passive parks and buildings throughout the City, in the absence of additional staff.

**Voting Requirements: Simple Majority**

## RECOMMENDATION

That Council ACCEPT the tender for Parks Maintenance Services (RFT 2501) from Prestige Property Maintenance PTY LTD ACN 160 322 369 as per the schedule of rates set out in Confidential Attachment 1 for a three-year period from the date of formal agreement with two optional extensions of one year each at the City of Kalamunda's discretion.

**10.3. Corporate Services Reports**

No reports presented.

**10.4. Community Services Reports**

**10.4.1. Community Bushfire Preparedness Plan - Season Overview 2024/2025**

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

Previous Items	
Directorate	Community Services
Business Unit	Community Health & Safety
File Reference	
Applicant	
Owner	Freya Ayliffe – Manager Community Health & Safety
Attachments	<div><div>1.</div><div>Attachment 1 - Fire Hazard Reduction Notice 25-26 [10.4.1.1 - 2 pages]</div></div> <div><div>2.</div><div>Attachment 2 - Bushfire Assessment Season Summary Report 2024 2025 [10.4.1.2 - 19 pages]</div></div>

**TYPE OF REPORT**

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

## STRATEGIC PLANNING ALIGNMENT

*Kalamunda Advancing Strategic Community Plan to 2031*

### Priority 1: Kalamunda Cares and Interacts

**Objective 1.1** - To be a community that advocates, facilities and provides quality lifestyles choices.

**Strategy 1.1.1** -- Ensure the entire community has access to information, facilities and services.

### Priority 1: Kalamunda Cares and Interacts

**Objective 1.2** - To provide a safe and healthy environment for community to enjoy.

**Strategy - 1.2.1** Facilitate a safe community environment.

### Priority 2: Kalamunda Clean and Green

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

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

### Priority 4: Kalamunda Leads

**Objective 4.1** - To provide leadership through transparent governance.

**Strategy 4.1.1** - Provide good governance.

## EXECUTIVE SUMMARY

1. The purpose of this report is to provide Council with a summary of the outcomes from the 2024/25 Fire Hazard Assessment period and request Council to:
  - Note the end-of-season outcomes for the 2024/25 Fire Hazard Assessment period (Attachment 2); and
  - Endorse the City of Kalamunda 2025/26 Fire Hazard Reduction Notice (Attachment 1);

## BACKGROUND

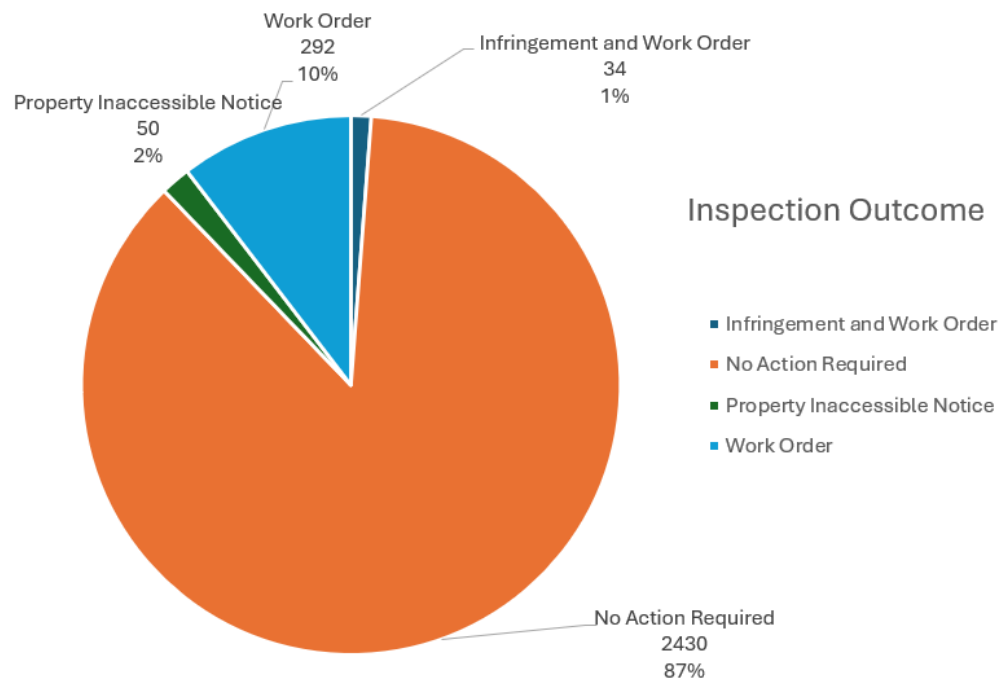
2. Effective bushfire prevention and preparedness planning is vital to supporting the City's strategic objective of providing a safe and healthy environment for the community to enjoy.
3. Pursuant to section 33 of the *Bush Fires Act 1954*, the City issues an annual Fire Hazard Reduction Notice to implement measures aimed at preventing the outbreak, spread or escalation of bushfire.

The proposed 2025/26 Fire Notice can be found in attachment 1. The Notice has been approved by both the City of Kalamunda's Chief Bush Fire Control Officer and the City's Bushfire Advisory Committee.

4. To support the Notice, the City developed a five year Fire Hazard Assessment Plan 2023 - 2028 (The Plan), which outlines the City's approach to education, and enforcement of the annual Notice.
5. The Plan was prepared in consultation with the community working group which was established following a resolution of Council in December 2022. The purpose of the working group was to provide advice on potential strategies regarding preparedness on private properties to inform the Plan. The working group was a short-term reference group only.
6. The Plan has been endorsed by the City's Bushfire Advisory Committee (BFAC).

#### **DETAILS AND ANALYSIS**

7. The Plan utilises findings from previous seasons, including non-compliance, complaints and comprehensive risk assessments to determine the priority of assessments throughout the City.
8. Key outcomes and/or observations from the 2024/25 season covering the period from 1 November 2024 to 31 March 2025 include:
  - 2,806 assessments were carried out
  - 2,430 properties were compliant
  - 292 workorders were issued
  - 34 infringement notices were issued
9. It is encouraging to note that a significant majority of properties inspected were compliant with the Notice on the initial assessment, with less than 11% of assessments resulting in a workorder being issued.



#### **APPLICABLE LAW**

10. *Bush Fires Act 1954*

#### **APPLICABLE POLICY**

11. Nil

#### **STAKEHOLDER ENGAGEMENT**

12. The 2025/26 Fire Hazard Reduction Notice has been prepared in consultation with the Department of Fire and Emergency Services (DFES)
13. It has also been approved by the City's Chief Bush Fire Control Officer and the City's Bushfire Advisory Committee.

#### **FINANCIAL CONSIDERATIONS**

14. Provisions for the implementation of the Plan and Notice have been allocated in the draft 2025/26 operational budget. No increase in budget from 2024/25 is proposed as part of this process.

## SUSTAINABILITY

15. The City's implementation of the Fire Hazard Assessment Plan and Notice is a key initiative in ensuring the City and its residents are prepared for the risk and dangers associated with a changing climate and the threat of catastrophic bushfire events.

## RISK MANAGEMENT

- 16.
- |   |                   |               |
|---|-------------------|---------------|
| <b>Risk:</b> Fire Hazard Assessment Plan is not implemented resulting in a significant increase in fuel loads and an increase of non-compliance on private properties |                   |               |
| <b>Consequence</b>  | <b>Likelihood</b> | <b>Rating</b> |
| Critical  | Almost Certain    | Extreme       |
| <b>Action/Strategy</b>  |                   |               |
| Fire Hazard Notice issued annually, including implementing the Fire Hazard Assessment Plan  |                   |               |
- 17.
- |  |                   |               |
|--|-------------------|---------------|
| <b>Risk:</b> a catastrophic fire event occurs resulting in loss of property and or life  |                   |               |
| <b>Consequence</b>   | <b>Likelihood</b> | <b>Rating</b> |
| Critical   | Possible          | High          |
| <b>Action/Strategy</b>   |                   |               |
| The process outlined in the assessment plan, if followed correctly, will reduce the impact of incidents, and further assist with responding to enquiries by external sources, should that be required. |                   |               |

## CONCLUSION

18. The implementation of the City's Fire Hazard Assessment Plan is one of the City's largest face-to-face interactions with the community, as a result, though the functions associated with the Management of Bushfires has been delegated to the CEO, Council is asked to endorse the associated notice. The notice and measures allow Officers the opportunity to engage with the community to educate residents on how to prepare and protect their properties, building overall community resilience.
19. The Plan has been guided by a comprehensive community engagement process and advice sought from DFES and BFAC.
20. Attachment 2 provides a summary of outcomes from the 2024/25 fire season the last seasons outcomes.

21. It is recommended that Council note the outcomes of the 2024/25 fire season which will inform assessments and engagement activities for the following season and further ENDORSE the Fire Hazard Reduction Notice 2025/26 (Notice).

<b>Voting Requirements: Simple Majority</b>
---

**RECOMMENDATION**

That Council:

1. NOTE the outcomes for the 2024/25 Fire Hazard Assessment period.
2. ENDORSE the City of Kalamunda Fire Hazard Reduction Notice 2025/26.



**10.5. Office of the CEO Reports**

**10.5.1. Audit and Risk Committee Review**

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

Previous Items	
Directorate	CEO's Office
Business Unit	Governance
File Reference	
Applicant	
Owner	
Attachments	<div>1. Audit and Risk Committee Terms of Reference - Draft - marked up [<b>10.5.1.1</b> - 5 pages]</div> <div>2. Audit and Risk Committee Terms of Reference - Draft [<b>10.5.1.2</b> - 3 pages]</div>

**TYPE OF REPORT**

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

**STRATEGIC PLANNING ALIGNMENT**

*Kalamunda Advancing Strategic Community Plan to 2031*

**Priority 4: Kalamunda Leads**

**Objective 4.1** - To provide leadership through transparent governance.

**Strategy 4.1.1** - Provide good governance.

## EXECUTIVE SUMMARY

1. The purpose of this report is for Council to consider and implement changes to the Council Committees arising from recent amendments to the *Local Government Act 1995* (the Act) and specifically the Audit and Risk Committee.
2. The legislative changes to the committee provisions involve:
  - a) Council now appoints Presiding and Deputy Presiding Members of committees (s5.12 of the Act)
  - b) the Audit and Risk Committee is to be retitled “Audit Risk and Improvement Committee” (ARIC) (Sch9.3, Division 7, cl.69 of the Act).
  - c) the Presiding and Deputy Presiding Members of the ARIC are to be Independent Members.
3. Council is now required to appoint a Presiding Member and Deputy Presiding Member to the ARIC for the period 25 June 2025 to 18 October 2025 and adopt amended Terms of Reference (ToR) for this Committee.
4. It is recommended that Council approve the changes to the Audit and Risk Committee and adopt revised ToR for an ARIC, appoint the Presiding and Deputy Presiding Members to this committee and authorise the CEO to advertise for the independent external members.

## BACKGROUND

5. Amendments to the Act have been introduced to enhance governance, transparency and accountability in local government operations. Various changes have come into effect already and it is anticipated that more will be announced in the coming months.
6. On the 7 December 2024, some key provisions of the *Local Government Amendment Act 2024* came into effect. These have made some significant changes to the Act around local government committees.
7. One of the provisions in the Act now in effect is new section 5.12. This new section states that a local government must appoint, by absolute majority, a member of a committee of Council to be the Presiding Member of that committee. In addition, this section states that a local government may appoint by absolute majority a member of a committee of Council to be the Deputy Presiding Member of that committee. The appointment by Council must be by 1 July 2025 to be compliant.
8. Presiding and Deputy Presiding Members were previously appointed through a vote of the Committee at its first meeting after each local government ordinary election.

## DETAILS AND ANALYSIS

9. Whilst not yet in effect, future amendments to the Act will change the current Audit and Risk Committee to an Audit, Risk and Improvement Committee (ARIC). It will also be a requirement that neither the Presiding or appointed Deputy Presiding Member of the ARIC can be a Council Member of the City of Kalamunda (the City) or any other local government. It is also appropriate to appoint a deputy of the deputy presiding member who also cannot be a Council Member.
10. In preparation for these future amendments, it is proposed that the existing Audit and Risk Committee be renamed to the Audit, Risk and Improvement Committee. It is also proposed to amend the ToR in line with this change and provide for the inclusion of independent external members.
11. With amendments proposed to the ToR, it was considered an opportune time to review the whole document with a summary of the proposed changes listed below:

Change	Reason
Simplified purpose	The purpose has been simplified for ease of reading
Removal of reference to the Audit Committee having a role to play in the appointment of the external auditor.	The Auditor General is responsible for the appointment of the City's external auditor.
Membership to include two external members and a deputy external member.	External independent members will be required to fulfill the roles of Presiding and Deputy Presiding Members after further legislative changes come into effect. There is also the ability to include a deputy to the Deputy Presiding Member. Including independent external members now will provide time for them to be onboarded to the committee prior to taking on these roles.
Membership changed to include the Mayor and at least one representative from each ward.	Not all members of the Council will be required to be a member of this committee.
Reference to the requirement of all Committee members to adhere to the City of Kalamunda Code of Conduct for Elected Members, Committee Members and Candidates.	Although the Code of Conduct refers to Committee Members, including it in the Terms of Reference provides clarity that it is for all Committee Members and not just members who are on Council.

Information contained under Objectives and Duties and Responsibilities has been combined	This information has been combined for ease of reading. There was repetition in the information under these headings.
Administrative changes have been made.	These changes reflect changes in legislation that have occurred and have created a contemporary document without duplication of information. The changes also reflect position title changes and reviewed documents such as the Strategic Community Plan.

12. The Act indicates a requirement for a minimum of three Elected Members on the ARIC, implying that the whole Council does not need to be included. A reduction in the numbers of Elected Members provides for effective oversight of the aspects of the City's operations the ARIC will review.
13. Whilst included in the amended ToR, it is recommended that clause 5 does not come into effect until the 19 October 2025 following the 2025 Local Government Ordinary Election. This clause provides for a reduction in the number of Elected Members included in the ARIC. There is normally a reappointment of Elected Members to committees and advisory groups following an election and the reduction in Elected Members will be easily accommodated at this time. It will also provide the opportunity for the external independent committee members to be appointed by Council at the same time.
14. Attachment 1 provides a marked up copy of the amended ToR. Attachment 2 provides a 'clean' copy of the proposed ToR.
15. At the first Audit and Risk Committee meeting held after the 2023 Local Government Ordinary Election, Cr Brooke O'Donnell was elected as the Presiding Member and Cr Lisa Cooper was elected Deputy Presiding Member. The next Local Government Ordinary Election is scheduled for 18 October 2025. With a relatively short amount of time left in the term, it is recommended that Council reappoint both Elected Members to these roles.
16. It is recommended that to fulfil the membership of the ARIC in line with the proposed ToR that Council authorise the Chief Executive Officer to advertise for suitably qualified independent external members. Once further legislative amendments come into effect relating to the ARIC, external independent members will be required to fulfill the roles of Presiding and Deputy Presiding Members and there is also the option to appoint a Deputy to the Deputy Presiding Member. Commencing the

process of including them now will provide time for onboarding to the ARIC prior to taking on these roles once the requirement is enacted.

17. In accordance with section 5.100(2) of the Act, committee members are entitled to be paid a fee. It is recommended that to support attraction of suitable applicants for the roles of independent committee members that a suitable meeting allowance be paid.
18. The Salaries and Allowances Tribunal set a range of fees that can be applied where a local government decides to pay an independent committee member. The range set for 2025/2026 is \$0 - \$450. It is recommended that the maximum amount of this range is paid for each independent committee member to further support the attraction of suitable applicants.

#### **APPLICABLE LAW**

19. *Local Government Act 1995*  
Section 5.12 Presiding members and deputies

#### **APPLICABLE POLICY**

20. Nil

#### **STAKEHOLDER ENGAGEMENT**

21. No consultation or stakeholder engagement has been carried out in the preparation of this report. The Department of Local Government has done extensive consultation on the Act amendments.

#### **FINANCIAL CONSIDERATIONS**

22. The current maximum amount determined by the Salaries and Allowances Tribunal is \$450, reviewed annually in time for inclusion in the budget process.
23. With up to four committee meetings likely to occur in the next financial year, this will result in a total cost of up to \$3,600 per year.

#### **SUSTAINABILITY**

Nil

## RISK MANAGEMENT

24.

<b>Risk:</b> Non-compliance with the <i>Local Government Act 1995</i> .		
<b>Consequence</b>	<b>Likelihood</b>	<b>Rating</b>
Compliance		
<b>Action/Strategy</b>		
The Council appointment of a Presiding and Deputy Presiding Member will mitigate the risk of non-compliance and establishing an Audit, Risk and Improvement Committee also mitigates the risk of non-compliance.		

## CONCLUSION

25. The recommendations to this report ensure compliance with the Act relating to the appointment of Presiding and Deputy Presiding Members.

The proposed amendments to the ToR for a newly titled ARIC provide clarity and update the function of the committee following amendments to the Act and the structure of the organisation.

By incorporating independent external members ahead of the changes coming into effect, will ensure appropriate onboarding can occur. Setting a meeting allowance for these independent members will help attract suitably qualified candidates, reinforcing the committee's integrity and expertise.

### Voting Requirements: Absolute Majority

## RECOMMENDATION

That Council:

1. APPROVE the change of title of the Audit and Risk Committee to the Audit, Risk and Improvement Committee.
2. ADOPT the Terms of Reference of the Audit, Risk and Improvement Committee contained at Attachment 2 except for clause 5 which will come into effect on 19 October 2025.

3. Pursuant to section 5.12 of the *Local Government Act 1995* APPOINT:
  - a) Cr Brooke O'Donnell as the Presiding Member of the Audit, Risk and Improvement Committee.
  - b) Cr Lisa Cooper as the Deputy Presiding Member of the Audit, Risk and Improvement Committee.
4. APPROVE the payment of the maximum allowable amount to independent committee members, as determined by the Salaries and Allowances Tribunal.
5. AUTHORISE the Chief Executive Officer to commence advertising for the independent external members for consideration and appointment by Council to the Audit, Risk and Improvement Committee.

**10.6. Chief Executive Officer Reports**

**10.6.1. Monthly Financial Statements to 31 May 2025**

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

Previous Items	N/A
Directorate	Corporate Services
Business Unit	Financial Services
File Reference	FIR-SRR-006
Applicant	N/A
Owner	N/A
Attachments	<div><div>1.</div><div>Statement of Financial Activity for eleven months ended 31 May 2025 [<b>10.6.1.1</b> - 1 page]</div></div> <div><div>2.</div><div>Statement of Net Current Funding Position as at 31 May 2025 [<b>10.6.1.2</b> - 1 page]</div></div> <div><div>3.</div><div>Statement of Financial Position as at 31 May 2025 [<b>10.6.1.3</b> - 1 page]</div></div> <div><div>4.</div><div>2024-25 Voted Works Budget [<b>10.6.1.4</b> - 1 page]</div></div>

**TYPE OF REPORT**

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



## STRATEGIC PLANNING ALIGNMENT

*Kalamunda Advancing Strategic Community Plan to 2031*

### Priority 4: Kalamunda Leads

**Objective 4.1** - To provide leadership through transparent governance.

**Strategy 4.1.1** - Provide good governance.

## EXECUTIVE SUMMARY

1. The purpose of this report is to provide Council with the Statutory Financial Statement for the eleven months ended 31 May 2025.
2. The Statutory Financial Statements report on the activity of the City of Kalamunda (City) with the comparison of the period's performance against the mid-year reviewed budget 2024-25 adopted by Council on 25 February 2025 and any other amendments approved subsequently by separate resolutions.
3. It is recommended Council receives the draft Monthly Statutory Financial Statements for the month of May 2025 and note the Voted Works details.

## BACKGROUND

4. The Statement of Financial Activity (Attachment 1), incorporating various sub-statements, has been prepared in accordance with the requirements of the *Local Government Act 1995 (Act)* and Regulation 34 of the *Local Government (Financial Management) Regulations 1996*.
5. The Statement of Financial Position (Attachment 3, incorporating various sub-statements, has been prepared in accordance with the requirements of the *Local Government Act 1995 (Act)* and Regulation 35 of the *Local Government (Financial Management) Regulations 1996*.

## DETAILS AND ANALYSIS

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

## **FINANCIAL COMMENTARY**

### **Draft Statement of Financial Activity by Nature and Type for the eleven months ended 31 May 2025.**

7. This Statement reveals a net result surplus of \$19,072,235 compared to the budget for the same period of \$3,559,771 resulting in a variance of \$15,512,465. The variance is largely due to an investing activities variance of \$8,706,525 and variance of \$1,412,684 & \$5,393,258 respectively from operating & financing activities.

### **Operating Revenue**

8. Total Revenue including rates is under budget by \$327,953. This is made up as follows:
- a) Rates generation is trending along the budget with a minor variance of \$111,097 mainly due to lower interims than currently budgeted.
  - b) Operating Grants, Subsidies and Contributions are also trending along the budget with a minor variance of \$273,259. The variance is mainly due to a timing difference of operating grants received and reimbursement of maintenance cost of shared use facilities.
  - c) Profit on asset disposal is under budget by \$1,484,570 as certain land parcels earmarked for sale have not yet been finalised. Approval was recently granted by Council to commence disposal on some surplus land parcels which will be completed in the next few months and transacted in the new financial year.
  - d) Fees and Charges are trending along the budget with minor over budget variance of \$348,309. The variance is attributable to the recovery of project management fees of Asset Delivery that is higher than budget by \$136,052 and the Waste Management fee which is higher than the budget by \$87,056.
  - e) Interest income is above budget by \$780,494 mainly due to higher interest earned on investments and reserves than budgeted. Maturity of deposits has resulted in the earlier income recognition and deemed to be a timing matter. Some of the additional interest is due to delayed capital works spend allowing higher cash flow to be invested.
  - f) Other Revenue is under budget by \$29,464 and the variance is mainly due to Environmental Health related compliance action collection which is lower than budget by \$26,650.
  - g) Ex-Gratia Rates Revenue is tracking lower than budget by \$104,884 due to a timing variance in relation to the Ex-Gratia Rates due from the Dampier Bunbury Gas Pipeline. The payment is expected in the last quarter of the year.

## **Operating Expenditure**

9. Total expenditure is over budget by \$514,633. The significant variances within the individual categories are as follows:
- a) Employment Costs are under budget by \$126,297 which is due to minor delays in the recruitment of new and vacant positions across several business units.
  - b) Materials and Contracts are under budget by \$922,018. The variance is mainly due to a timing difference for waste services, building maintenance and infrastructure maintenance costs.
  - c) Utilities are tracking along the budget with a minor variance of \$1,218 that is below the variance reporting threshold.
  - d) Depreciation, although a non-cash cost, is tracking along the budget with a minor variance of \$103,546. This is partially due to a delay in the capitalisation of assets which have been completed so far in the current financial year.
  - e) Interest expense is tracking along the budget line with minor variance of \$21,323, that is below the reportable variance threshold.
  - f) Insurance expense is tracking under budget by \$50,686 due to lower LGIS Insurance premium received than budgeted.
  - g) Other expenditure is under budget by \$107,891 mainly due to land acquisition costs of \$78,330 budgeted for Forrestfield Industrial Area Scheme which were unspent.

## **Investing Activities**

### **Non-operating Grants and Contributions**

10. The non-operating grants and contributions is over budget by \$7,772,193. This is mainly due to found and gifted infrastructure assets of \$6.2 million which was recorded up to the end of May 2025. Other minor variance is due to the timing difference of receipts of grants for capital works projects and project delivery.

## **Capital Expenditure**

11. The total Capital Expenditure on Property, Plant, Equipment, and Infrastructure Assets is under budget by \$6,115,117. The delayed spend is due to the City working through some large projects which are in various stages in the tender process.

## **Financing Activities**

12. The amounts attributable to financing activities show a variance from budget by \$5,393,258 which is mainly due to the timing difference of reserve transfers that are usually transacted towards the year end.

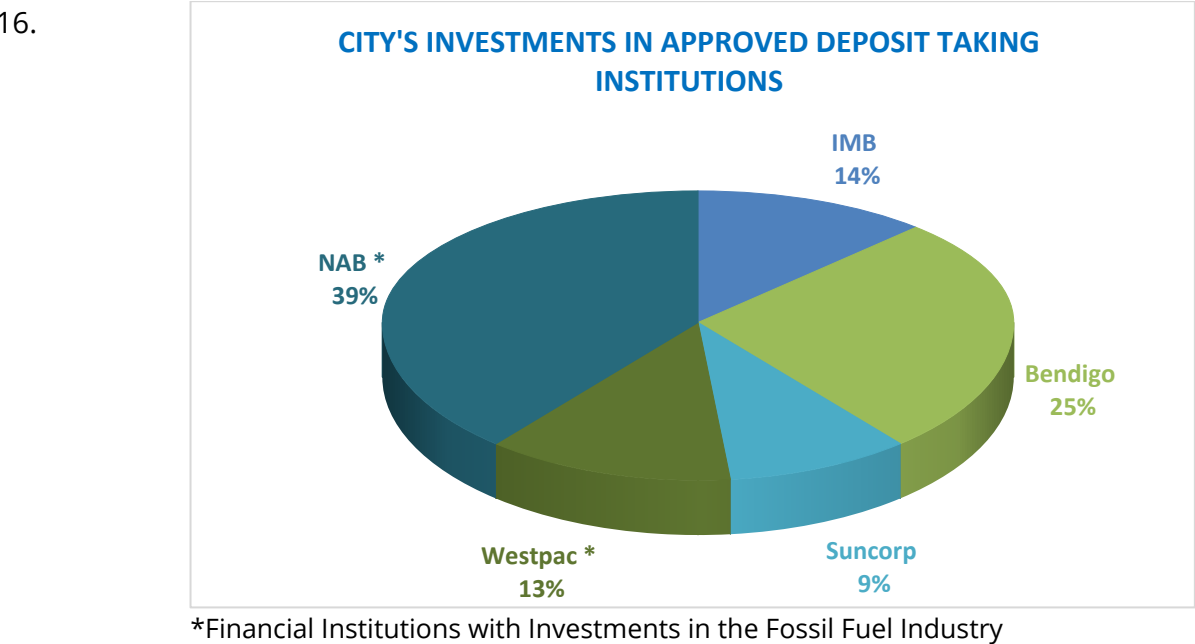
Statement of Net Current Funding Position as of 31 May 2025

13.

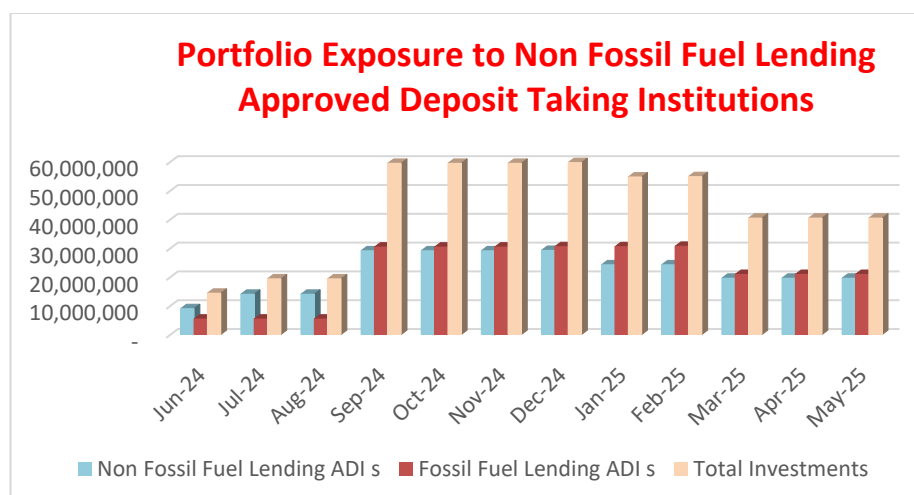
The commentary on the net current funding position is based on a comparison of May 2025 to the May 2024 actuals.
14.

Net Current Assets (Current Assets less Current Liabilities) total \$45.8 million as compared to \$40.6 million for the previous year. The restricted cash position is \$31.2 million which is higher than the previous year’s balance of \$25.0 million. This reflects additional transfers to Reserves which is normally undertaken later in the year.
15.

The following graph indicates the financial institutions where the City has investments as of 31 May 2025. Investments yields are between 4%-5.5% depending on the length of deposits. The Reserve Bank of Australia have reduced the cash rate by a further 15 basis points to 3.85% which will have an adverse effect on investment income in the outer months. and the new financial year as core inflation stabilises.



17.



18.

Rates debtors are currently \$2.0 million, further details are contained in the Rates Report to Council.

19.

Sundry debtors have increased from \$244,947 to \$1,473,556 of which \$1,384,745 consists of current debt due within 30 days. The major invoice in the current debts is raised in May 2025 for the 2<sup>nd</sup> milestone payment of High Wycombe Hub grant of \$1.3 million. Further details are contained in the Debtors and Creditors Report to Council.

20.

Receivables Other represent \$1.7 million including:  
a) Emergency Service Levy receivables \$0.4 million.  
b) Receivables Sanitation \$0.6 million.

21.

Provisions for annual and long service leave have increased by \$134,414 from \$4.33 million to \$4.46 million when compared to the previous year. The provision is cash backed via specific reserves.

### Proposed Budget Amendments and Voted Works

22.

There are no proposed budget amendments for this month.

23.

The City has commenced for 2024/25 a Voted Works Reserve valued at \$100,000 which is allocated during the year based on elected member nominations to fund various community requests.

As of 30 April 2025, a balance of \$32,643 is available for allocation by Elected Members from the Voted Works Reserve. Please see attachment 5 for further details.

## **APPLICABLE LAW**

24. *The Local Government Act 1995 s6.8 and the Local Government (Financial Account Management) Regulations 1996 s34 and s35.*

## **APPLICABLE POLICY**

25. Nil.

## **STAKEHOLDER ENGAGEMENT**

### **Internal Referrals**

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

### **External Referrals**

27. As noted in point 22 above, the City is required to present to the Council a monthly statement of financial activity with explanations for major variances.

## **FINANCIAL CONSIDERATIONS**

28. The City's financial position continues to be closely monitored to ensure it is operating sustainably and to allow for future capacity.

## **SUSTAINABILITY**

### **Social Implications**

29. Nil.

### **Economic Implications**

30. Nil.

### **Environmental Implications**

31. Nil.

## RISK MANAGEMENT

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

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

## CONCLUSION

34. The City's Financial Statement as of 31 May 2025 reflect the 2023-24 audited opening surplus position.

### Voting Requirements: Simple Majority

## RECOMMENDATION

That Council

1. RECEIVE the Monthly Statutory Financial Statement for the month of May 2025 which comprises:
  - a) Statement of Financial Activity (Nature or Type) (Attachment 1).
  - b) Statement of Net Current Funding Position, note to financial report. (Attachment 2).
  - c) Statement of Financial Position (Attachment 3).
2. NOTE the Voted Works details as identified in Attachment 4.

## 10.6.2. Debtors and Creditors Reports for the month of May 2025

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

Previous Items	N/A
Directorate	Corporate Services
Business Unit	Financial Services
File Reference	FI-CRS-002
Applicant	N/A
Owner	N/A
Attachments	<ol style="list-style-type: none"> <li>1. Summary of Creditors for month of May 2025 [10.6.2.1 - 1 page]</li> <li>2. Creditor Payments for the Period ended 31 May 2025 Public [10.6.2.2 - 13 pages]</li> <li>3. Corporate Credit Card Payments for the period 27 March to 24 April 2025 - Public [10.6.2.3 - 3 pages]</li> <li>4. Summary of Debtors for the month of May 2025 [10.6.2.4 - 2 pages]</li> </ol>
Confidential Attachments	<ol style="list-style-type: none"> <li>1. Creditor Payments for the period ended 31 May 2025 – (Confidential)</li> </ol>

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

### TYPE OF REPORT

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



## STRATEGIC PLANNING ALIGNMENT

*Kalamunda Advancing Strategic Community Plan to 2031*

### **Priority 4: Kalamunda Leads**

**Objective 4.1** - To provide leadership through transparent governance.

**Strategy 4.1.1** - Provide good governance.

## EXECUTIVE SUMMARY

1. The purpose of this report is to provide Council with details of payments made from Municipal and Trust accounts together with outstanding debtors and creditors for the month of May 2025.
2. The report provides details of payments made from the Municipal and Trust Fund Accounts for the month. It also includes details of employee purchases via purchasing cards from 27 March to 24 April 2025.
3. It is recommended that Council receive the list of:
  - a) payments made from the Municipal and Trust Fund Accounts for the month of May 2025
  - b) payments made by employees via purchasing cards from 27 March to 24 April 2025
  - c) the outstanding debtors and creditors report for the month of May 2025.

## BACKGROUND

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

## DETAILS AND ANALYSIS

### Debtors

7. Sundry debtors as of 31 May was \$1,473,556. This includes \$1,384,746 of current debts and \$5,785, unallocated credits (excess or overpayments).
8. Invoices over 30 days total \$63,382, debts of significance:
  - a) Municipal Workcare, \$43,293.08 workers compensation claims; and
  - b) Department of Education, \$12,107.58, KPAC shared expenses.
9. Invoices over 60 days total \$5,821, debts of significance:
  - a) Municipal Workcare, \$3,822 workers compensation claims.
10. Invoices over 90 days total \$25,392, debts of significance:
  - a) N-Com Pty Ltd, \$12,490, lease fees;
  - b) Private Citizen, \$3,815, fire hazard reduction burn;
  - c) Ignite Performing Arts, \$2,451, hall hire; and
  - d) Kalamunda Chamber of Commerce, \$1,580, reserve hire;

### Creditors

11. Payments totalling \$5,341,597.18 were made during the month of May 2025. Standard payment terms are 30 days from the end of the month, with local businesses and contractors on 14-day terms.
12. Significant Municipal payments (GST inclusive – where applicable) made in the month were:

Supplier	Purpose	\$
Beaver Tree Services	General tree services / under powerlines pruning for various locations	611,972.71
Australian Taxation Office	PAYG Tax Payments	501,103.36
AE Hoskins Building Services	Building maintenance services/repairs at various locations	380,645.36
Asphaltech Pty Ltd	Road materials for profiling at various locations	273,138.11
Western Australian Treasury Corporation	Repayment of Loan Nos. 216, 237 & 245	260,963.36
Aware Super Pty Ltd	Superannuation contributions	226,699.53
Resource Recovery Group (SMRC)	Waste & recycling disposal services fees	159,223.21

Brusch Construction Group	Progress claim # C006 - Design & Construction of Foothills men's shed	150,298.36
Kennedys Tree Services (Cosmag Pty Ltd)	Tree removal / under powerline pruning for various locations	149,767.76
Dowsing Group Pty Ltd	Supply & lay concrete pathways, maintenance & misc works at various locations	144,382.42
GHD Pty Ltd	Engineering, architecture & environmental consulting services for various locations	137,422.45
Insight Enterprises Australia Pty Ltd	Cyber security solutions & Microsoft SharePoint storage licences	133,366.48
Cleanaway	Waste / recycling & bulk bin disposal services fees	115,689.36
Christou Design Group Pty Ltd	Design services for High Wycombe community hub rft2310 as per council decision 63/2024	102,153.70
Contraflow	Traffic management for various locations	86,048.28
McKay Earthmoving Pty Ltd	Plant equipment and operator hire for various locations	75,069.27
Synergy	Power charges	69,517.07
Drainflow Services Pty Ltd	Cleaning / maintaining storm water drains at various locations	68,535.50
Eastern Metropolitan Regional Council (EMRC)	Domestic / waste charges - Red Hill tip, mattress & timber disposal fees	65,691.73
OCE Corporate Pty Ltd - Office Cleaning Experts	Cleaning services / consumables for various locations	64,490.10
Aquatic Services WA Pty Ltd	Supply and install of fixtures / structures Kalamunda Water Park	55,948.15
Capital Recycling	Transporting waste streams from the Walliston Transfer Station	50,984.98

These payments total \$3,832,126.27 and represent 72% of all payments for the month.

## Payroll

13. Salaries and wages are paid in fortnightly cycles. A total of \$1,628,274.80 was paid in net salaries and wages for the month of May 2025.
14. Additional details are provided in Confidential Attachment 1 after the creditors' payment listing.

### **Trust Account Payments**

15. The Trust Accounts maintained by the City of Kalamunda (City) relate to the following types:
  - a) CELL 9 Trust;
  - b) Public Open Space funds,
  - c) NBN Tower Pickering Brook Trust
16. There were no payments made from any of the Trust Accounts in May 2025.

### **APPLICABLE LAW**

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

### **APPLICABLE POLICY**

19. Debt Collection Policy CEO Direction 5.5.
20. Register of Delegations from Council to CEO.

### **STAKEHOLDER ENGAGEMENT**

#### **Internal Referrals**

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

#### **External Referrals**

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

### **FINANCIAL CONSIDERATIONS**

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

### **SUSTAINABILITY**

24. Nil.

## RISK MANAGEMENT

### Debtors

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

### Creditors

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

## CONCLUSION

27. Creditor payments are within the normal trend range.

<b>Voting Requirements: Simple Majority</b>
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## RECOMMENDATION

That Council:

1. RECEIVE the monthly lists of payments made from the Municipal Accounts for the month May 2025 (Confidential Attachment 1) in accordance with the requirements of the *Local Government (Financial Management) Regulations 1996* (Regulation 13).
2. RECEIVE the list of payments made from 27 March to 24 April 2025 using Corporate Purchasing Cards (Confidential Attachment 2) in accordance with the requirements of the *Local Government (Financial Management) Regulations 1996* (Regulation 13A).
3. RECEIVE the outstanding debtors and creditors reports (Attachments 1 & 2) for the month of May 2025.

**10.6.3. Rates Debtors Report for the Period Ended 31 May 2025**

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

Previous Items	N/A
Directorate	Corporate Services
Business Unit	Financial Services
File Reference	FI-DRS-004
Applicant	N/A
Owner	N/A
Attachments	Nil

**TYPE OF REPORT**

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

**STRATEGIC PLANNING ALIGNMENT**

*Kalamunda Advancing Strategic Community Plan to 2031*

**Priority 4: Kalamunda Leads**

- Objective 4.1** - To provide leadership through transparent governance.
- Strategy 4.1.1** - Provide good governance.
- Strategy 4.1.2** - Build an effective and efficient service-based organisation.

**EXECUTIVE SUMMARY**

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

2. The City of Kalamunda (City) levied rates for 2024/2025 on 16 July 2024. The amount collectable (excluding deferred rates balance of \$1,154,548) as of 31 May 2025 was \$49,592,376. This balance includes, initial billing, interims and the brought forward balance from 2023/24. Collections to date stand at \$47,777,281.

## BACKGROUND

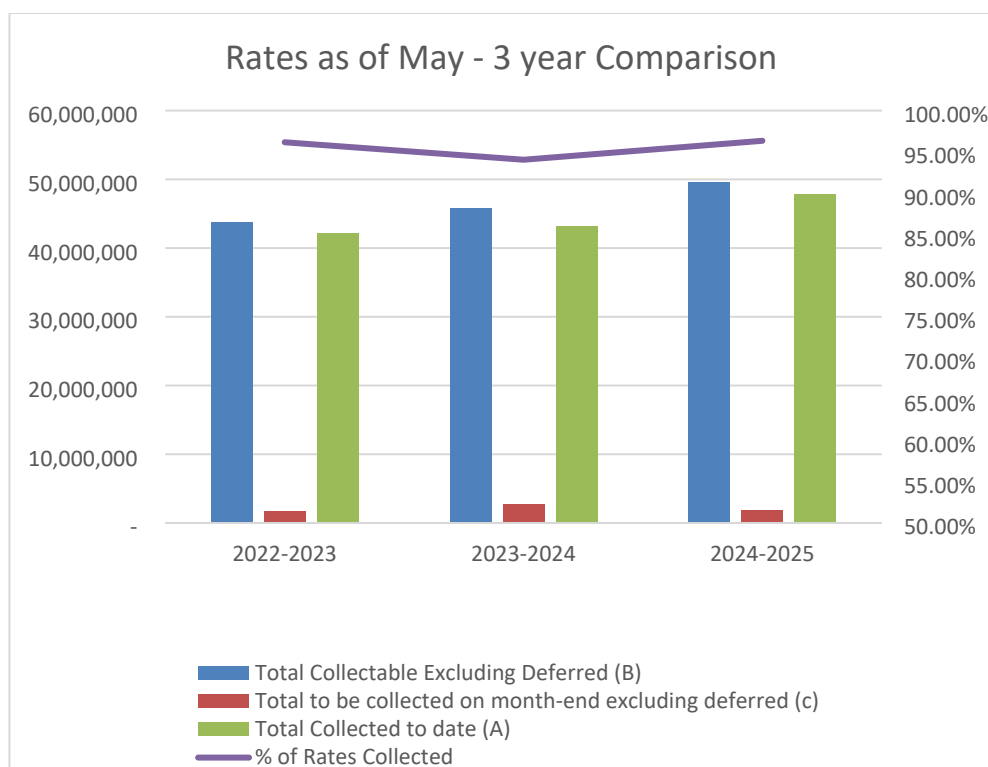
3. Rate Notices were issued on 16 July 2024 with the following payment options available:

Options	Payment Dates			
Full payment	20 August 2024			
Two instalments	20 August 2024	24 January 2025		
Four instalments	20 August 2024	22 October 2024	24 January 2025	25 February 2025

## DETAILS AND ANALYSIS

4. A total of 24,024 notices were issued on 16 July 2024. This consisted of 20,072 mailed rates notices, and 3,509 of eRates notices (12% take-up saving more than \$5,600 in postage and printing).
5. As of 31 May 2025, rates Levied and collectable for the 2024/2025 Financial Year total is \$49,592,376 (excluding deferred rates), with collections standing at \$47,777,281. With the 4<sup>th</sup> instalment, which was due on 25 Feb 2025 now completed, the City has identified all properties in default, that is, they have not paid in full or entered a payment arrangement with the City. Debt collection activity has commenced from September 2024 and missed instalment reminder notices sent out in March 2025. Phone/SMS campaign initiated in March 2025 on all debts over \$1,000.
6. The above collection of \$47,777,281 represents a collection rate of 96.34% which is significantly better than the previous year of 94.04%. For reference, below is a chart comparing the collection rates for the last three years.

7.



8.

From the above chart the following observations are made:

- a) The quantum of collectable and collected rates is higher in 2024/25 than previous years because the base amount is higher each year.
- b) It is noted the amount collected is back to 2022/23 year end levels. The City now has a stable Rates Team with seasoned professionals who are actively managing the debt outstanding.
- c) The % collectable at 31 May 2025 is 3.66% which will be a point of focus for the Rates Team to work towards. In this regard, work is being done to review and update the City's collection and hardship policies and procedures. The City has reviewed and performed market testing on its contractual obligations with the City's debt collection agency with no changes needed prior to going legal on defaults identified.
- d) The City has finalised and identified properties whose debt is over \$2,000 and the City's debt collection agent has been instructed to commence General Procedure Claims in April & May 2025. There are approximately 39 properties who are in default.



9. The interim rating has now concluded for 2024/2025. To 31 May 2025 \$517,145 has been raised for the interim rating Revenue. The process will recommence after August 2025 for the new financial year and will include the backlog of 2024/2025, if any.
10. The first instalment due date was 20 August 2024. The following observations should be noted:
  - a) A total of 16,498 properties representing 60.76% of the total number of rateable properties were noted to have paid in full or were in credit.
  - b) A total of 9,817 ratepayers have taken up an instalment option or have entered into a payment arrangement. This is an increase of 1% from 2023/2024 where 9,657 chose an instalment option or a payment arrangement.

The following table showing Properties choosing to pay by instalments or payment arrangements:

Option	Description	2025/25 Number	2023/24 Number
Option 2 on Rates Notice	Two instalments	1,797	1,732
Option 3 on Rates Notice	Four instalments	6,694	6,880
Direct Debit	Pay by direct debit	1,068	941
Payment Arrangement	Pay by payment Arrangement	258	104
<b>Total</b>	<b>Ratepayers on payment options</b>	<b>9,817</b>	<b>9,657</b>

11. Call recording software has been utilised in the Rates Department since 2015, primarily for customer service purposes, as it allows calls to be reviewed for training and process improvement purposes. For the period 1 May 2025 to 31 May 2025, there was a total of 453 calls, equating to 17.07 hours of call time.

## APPLICABLE LAW

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

## **APPLICABLE POLICY**

13. The City's rates collection procedures are in accordance with the Debt Collection Policy CEO Direction 5.5.

## **STAKEHOLDER ENGAGEMENT**

### **Internal Referrals**

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

### **External Referrals**

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

## **FINANCIAL CONSIDERATIONS**

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

## **SUSTAINABILITY**

### **Social Implications**

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

### **Economic Implications**

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

## Environmental Implications

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

## RISK MANAGEMENT

21.

<b>Risk:</b> Failure to collect outstanding rates and charges leading to cashflow issues within the current year.		
<b>Consequence</b>	<b>Consequence</b>	<b>Rating</b>
Moderate	Possible	Medium
<b>Action/Strategy</b>		
Ensure debt collections are rigorously maintained.		

## CONCLUSION

22. The current year collection rate is higher at 96.34% compared to 94.04% last year. The City continues to effectively implement its rate collection strategy.

<b>Voting Requirements: Simple Majority</b>
---

## RECOMMENDATION

That Council RECEIVE the Rates Debtors Report for the Period ending 31 May 2025.

## 10.6.4. Adoption of Budget 2025/2026

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

Previous Items	
Directorate	Corporate Services
Business Unit	Financial Services
File Reference	
Applicant	N/A
Owner	N/A
Attachments	1. Annual Budget 2025-2026 [ <b>10.6.4.1</b> - 82 pages]
Confidential Attachment	Capital Expenditure Internal CONFIDENTIAL <u>Reason for Confidentiality:</u> <i>Local Government Act 1995 (WA) Section 5.23 (2) (e) - "matter that if disclosed, would reveal - (i) a trade secret; (ii) information that has a commercial value to a person; or (iii) information about the business, professional, commercial or financial affairs of a person; - where the trade secret or information is held by, or is about a person other than the local government"</i>

### TYPE OF REPORT

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

## STRATEGIC PLANNING ALIGNMENT

*Kalamunda Advancing Strategic Community Plan to 2031*

### **Priority 4: Kalamunda Leads**

**Objective 4.1** - To provide leadership through transparent governance.

**Strategy 4.1.1** - Provide good governance.

## EXECUTIVE SUMMARY

1. The purpose of this report is to adopt the Municipal Fund Budget for the year ended 30 June 2026, representing the Financial Year 2025/2026, together with supporting schedules including striking of the Municipal Fund Rates, adoption of fees and charges and other consequential items arising from the Budget papers (Attachment 1).
2. The adoption of the Budget will enable the City of Kalamunda (City) to continue to deliver upon its strategic objectives and to ensure the City is financially sustainable.
3. It is recommended Council adopt the Municipal Budget together with supporting schedules for the 2025/26 Financial Year.

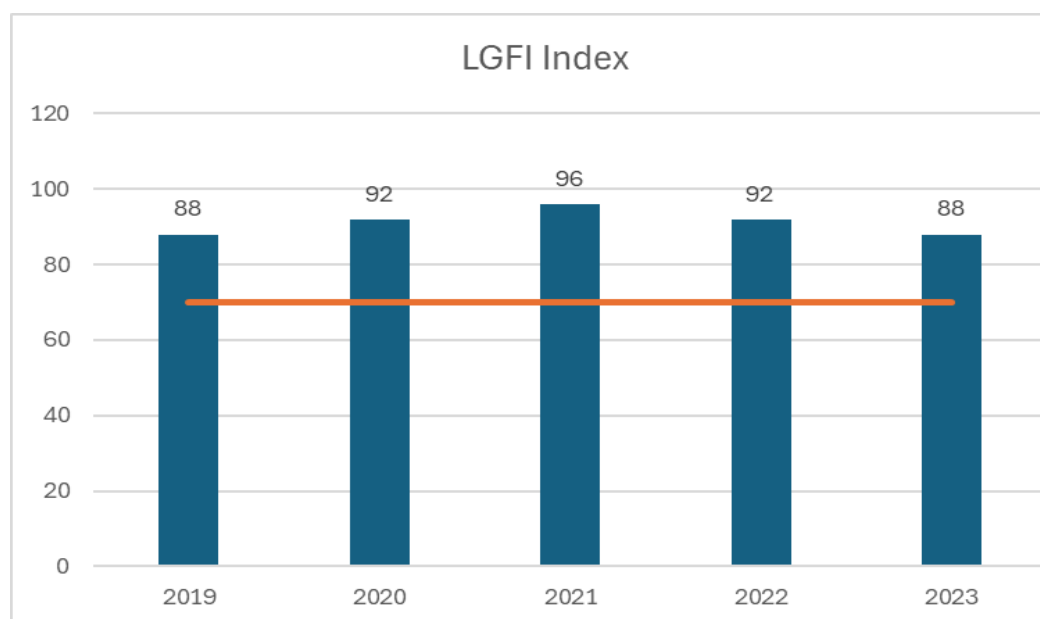
## BACKGROUND

4. The Annual Budget is an important part of the City's Integrated Planning Framework, being the annual financial plan that facilitates the delivery of services and infrastructure to the community informed by the strategies set out in the City of Kalamunda Strategic Community Plan.
5. The budget process commenced early in 2025 with several workshops held with Elected Members. During these workshops, the City reviewed current and projected economic metrics, expenditures and revenues before arriving at the current budget position.
6. On 27 May 2025, Council resolved to advertise the Differential Rates for 2025/26, in line with statutory advertising timeframes in relation to community consultation.

## DETAILS AND ANALYSIS

7. The 2025/26 year continues to see volatility in several areas of construction costs placing considerable pressure on building and construction projects. The City is responsible for more than \$1 Billion in assets and the annual depreciation reflecting a minimum investment in the renewal of existing assets at more than \$17 Million. This will match the current depreciation rate of the City's assets,
8. The Reserve Bank projects inflation will return to the 2-3% target range, whilst at the same time indicating the labour market is tight, with sectors such as building and construction experiencing large shortfalls in skilled workers. Global uncertainty has risen sharply on the back of tariff policy announcements by the United States Government and ongoing Middle East conflicts.
9. In May 2025 the Reserve Bank lowered the cash rate by 25 basis points to 3.85% noting further monetary policy intervention maybe necessary so as to respond to international developments.
10. The Local Government Cost Index (LGCI) provides an indication of changes in the Western Australian (WA) economy relating more closely to the functions of local government. The LGCI is forecast to reduce from 3.6% in the 2024/25 financial year to 3.3% in the 2025/26 financial year.
11. The City outsources most of its services and is reliant on contracts with suppliers. Anecdotal evidence from recent tenders reflect higher cost pressures for maintenance and service-related services. For example, under power line pruning costs are increasing by 100% primarily due to significant increase in traffic management costs, road-based products such as asphalt and bitumen have gone up by 15% and irrigation reticulation parts have increased between 20% to 40%.
12. The City of Kalamunda is primarily a service organisation, its cost base is comprised largely of employee costs and materials and contracts supporting service-related activities. In addition, certain costs are passed onto local government by the State Government, for example the cost of running streetlights. At the time of writing the report, the State Government had not released the increase to be passed on to local governments. The City has recently been required to transition to new contracts on contestable sites, it was noted there is a significant increase in network infrastructure charges (supply charge) being passed on to the electricity distributors by Western Power. Whilst the consumption rate tariffs have reduced, due to the significant increase in the supply charge, when compared to the previous year bills, we have identified increases between 18% to 47% in the total bill.

13. As more property owners transition to battery power by taking up the State and Federal rebates recently announced, the cost outlay for infrastructure upgrades for Western Power's ageing infrastructure will be further passed onto commercial and local governments further rising utility power bills. To remain sustainable, the City will need to review its reimbursement policy on its buildings used by community organisations via fees and charges for room hire or leases.
14. The Utilities Charges budget has been increased by 13% when compared to the previous year.
15. The unemployment rate has remained around the current level of 4.1%, with wages growth slowing. The combination of cost pressures and labour market constraints make it challenging for local governments to deliver on the communities growing needs and expectations.
16. The Department of Local Government, Sport and Cultural Industries (DLGSCI) has worked with stakeholders to design a new Local Government Financial Index (LGFI) with a benchmark of 70. The LGFI will provide at a glance in-sights about local government financial positions and will replace the previous Financial Health Indicator. The new LGFI is comprised of four key ratios:
1. Debt Services Cover Ratio
  2. Current Ratio
  3. Operating Surplus Ratio
  4. Net Financial Liability Ratio
- The figure below shows the City's score across the years and concerning declining trend.



17. With the adoption of new ratios, the City will continue monitoring its asset sustainability ratio which measures capital expenditure on replacement or renewal of assets relative to the annual depreciation expense
18. The City's Financial results for the year ending June 2023 as seen in the chart below, highlighted a trend was occurring showing a deterioration in the Operating Surplus Ratio (OSR) over the past few years.
19. This trend was identified by the Office of the Auditor General (OAG) and a plan was developed and considered by Council to address this matter and align rates revenue with operating costs.
20. Considering the declining OSR the 2025/26 budget and future budgets assisted via the updated Long Term Financial Plan (LTFP) will need to be focussed on addressing the declining OSR to ensure the City remains financially sustainable.



21.

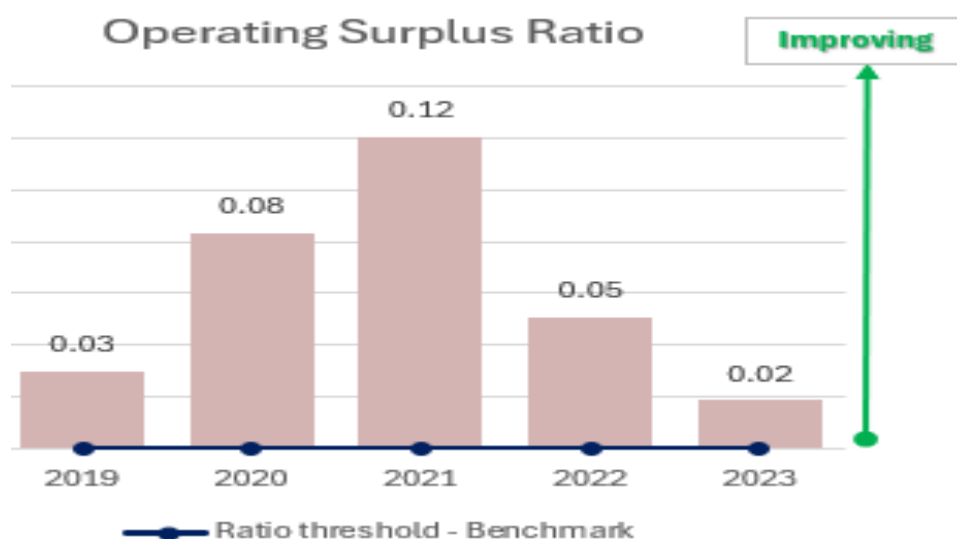


Table is an extract from the FHI Calculations as provided by the Department

### What is the Operating Surplus Ratio (OSR)?

22.

Operating Surplus Ratio Calculation

$$\frac{(\text{Operating Revenue MINUS Operating Expense})}{\text{divided by Own Source Operating Revenue}}$$

23.

This ratio is a measure of a local government's ability to cover its operational costs and have revenues available for capital funding or other purposes.

24.

The required standard is to meet the threshold of 0.00 with no determination of what is a basic, intermediate or advanced threshold.

25.

The "Operating Surplus" is determined by adjusting Operating Revenue to include non-operating grants and contributions reduced by Operating Expenditure adjusted by excluding finance costs.

### Why has the OSR been in decline?

26.

A negative OSR basically means that the City doesn't earn enough operating revenue to pay for operational expenditure.

27. There are 3 key reasons this ratio is in decline. They are:
1. Revenue is not matching operating expenditure
  2. Depreciation expense has increased following a revaluation of City assets.
  3. Increasing cost of providing services and assets, with cost pressures experienced especially in building and construction costs and their ongoing maintenance.
28. For the 2025/26 year the City continues to see volatility in several categories of construction costs placing pressure on building and construction projects. In addition, most of the City's maintenance services are outsourced and recent tender results have come in at significantly higher rates than the previous tender prices. In particular, the rise in traffic management costs is now surpassing the \$1 million mark which has impacted some of the City's services.
29. Each of these issues is discussed in detail as follows.

### **Rates**

30. In 2013/14 when the inaugural LTFP was adopted by Council, it was based on rate increases set at 7% over the 10 years to fund the growth in asset renewals and new assets. This was in recognition of the backlog of assets renewals and ageing facilities the City was carrying on its books. Furthermore, the City has grown its population base with many new development fronts being created and demand for services increasing subsequently in line with growth.
31. Since 2018 the Council reduced rate increases which were well below the 7% per annum target set in the inaugural 2013 LTFP resulting in a cumulative loss of revenue over the past 5 years. The table below highlights the annual increases in rates.

<b>RATES</b>		
Year	Actual Received	Annual Increase
2014	\$28,939,389	
2015	\$30,599,405	6%
2016	\$32,769,644	7%
2017	\$35,066,848	7%
2018	\$35,992,132	3%
2019	\$37,436,125	4%
2020	\$37,864,554	1%
2021	\$38,342,129	1%
2022	\$39,925,800	4.9%
2023	\$43,866,164	4.5%
2024	\$47,628,912	5.5%

32. Had the 2013 LTFP been maintained with its rates projections being adopted annually, the City would likely have been in a stronger position to be covering its operating costs, as well as being able to build reserves that will provide future capacity to fund major facilities development and to partially withstand unforeseen cost escalation impacts being experienced.
33. In the absence of significant alternative revenue streams, it is important to closely align operating expenditure with operating revenues.

### Depreciation

34. The change in accounting standards to fair value accounting in 2017 is a key cause of the deterioration of the Operating Surplus Ratio. This change has resulted in a significant increase in the depreciation expense.
35. As the City continues to add new assets and doesn't rationalise old, underutilised assets, depreciation will continue to rise and negatively impact the financial viability of the City in the future.

The Table below illustrates the significant changes in the depreciation expense.

DEPRECIATION		
YEAR	ACTUAL	% CHANGE
2016	\$6,043,120	
2017	\$10,130,153	68%
2018	\$10,237,301	1%
2019	\$10,986,630	7%
2020	\$11,316,721	3%
2021	\$13,385,719	18%
2022	\$13,764,916	3%
2023	\$14,349,530	4.2%
2024	\$16,875,730	17.6%
2025	\$17,140,236*	15.7%

\*Forecasted

36. Revaluation of infrastructure assets was completed at 30 June 2023 resulting in an increase in the depreciation charge to \$17.1 million in 2024/25 Budget. This is a 19% change from 2023 financial year (Depreciation as at 2025 compared to when the revaluation was done in 2023).

**Cost of Services and Assets**

37. The City has a significant asset base and a wide range of services delivered from the asset base. Currently, the City's net assets equate to approximately \$1 billion. Managing such an asset base is challenging and requires sound asset management strategies, a clear understanding of lifecycle costing and an overall maturity of asset management competencies within the business.
38. Maintaining and renewing such a large asset base and delivering a wide range of services requires revenue to match the recurrent operating costs required. The City's main revenue source is largely dependent on rates.
39. As noted above, the City is closely monitoring its Asset Sustainable Ratio for which it has set a benchmark of 70% (90% benchmark applies for developed Councils) with the chart below showing that although improving, we are not investing enough to meet the benchmark. The increase in depreciation requires a greater investment in the City's asset renewal program to meet the ratio requirements.



40. In the past five years, the City has experienced an increase in new assets. The capital expenditure to construct these assets are largely grant-funded or are developer built, however, still require operational funding to service the assets over their lifecycle. In addition to the above, replacement of existing assets has been built to a higher standard such that there is a greater expectation from the community to maintain them as such for example, Stirk Park and Magnolia Park. There have also been new services introduced without the corresponding revenues being raised to pay for these services such as the delivery of the Reconciliation Action Plan.

41. The City has experienced significant cost increases in materials and contracts notably relating to building and construction costs and associated labour costs.

MATERIALS & CONTRACTS		
YEAR	ACTUAL	% CHANGE
2018	\$20,563,241	
2019	\$20,391,297	-1%
2020	\$22,443,971	+10%
2021	\$20,233,774	-10%
2022	\$23,253,381	+15%
2023	\$27,702,293	+19%
2024	\$24,586,015	-11%
2025	\$28,169,759*	15%

*\*forecasted*

42. The City has undertaken a thorough review of its cost structures, revenue generation opportunities and service levels to formulate a financially responsible budget.
43. The City's financial sustainability will be critically dependent upon maintaining close scrutiny over costs, leveraging commercial opportunities in order to mitigate the impact on rates, service levels and asset condition levels.
44. During the past five years in response to Council resolutions, the City has grown services to address service gaps in the community. This has included growth in:
- a) Community Engagement and Public Relations
  - b) Strategic Planning
  - c) Economic Development and Tourism
  - d) Arts and Culture
  - e) Youth Services
  - f) Environment
45. The City is facing significant challenges in the area of Asset Services in the following areas which has greatly impacted the materials and contracts expenditure.
- i) Traffic Management costs which is a compliance requirement when crews are working on road and drainage infrastructure is estimated to cost at least a \$1 million annually.
  - ii) The City has received new assets with the increase in sub-divisions

- iii) The City has recently upgraded some of its parks, such as Stirk Park and Magnolia Park with community expectation that they provide higher amenities which have significant cost impacts.
  - iv) Tender results for outsourced services show significant increases such as:
    - Parts for reticulation of the reserves have gone up above CPI with some increases by 20% to 40%.
    - Powerline pruning has increased by 100% partially due (i) above
    - Asphalt resurfacing costs have increased by 15%.
46. Whilst the growth in services was viewed as necessary and has delivered significant benefits to the community there has also been a corresponding increase in human resourcing, depreciation, and maintenance. These increases have had to be mitigated through cost-cutting in other service areas to balance the budget and deliver minimal rate increases. Whilst this approach is useful in the short term, it has a negative effect in the longer term.
47. Whilst the City has, through annual cost-cutting, managed to balance its budget, over time this approach has reached a point where costs cannot be reduced further without a corresponding reduction in services and service standards, an increase in rates, or the introduction of new revenue streams.

### **Waste Charges**

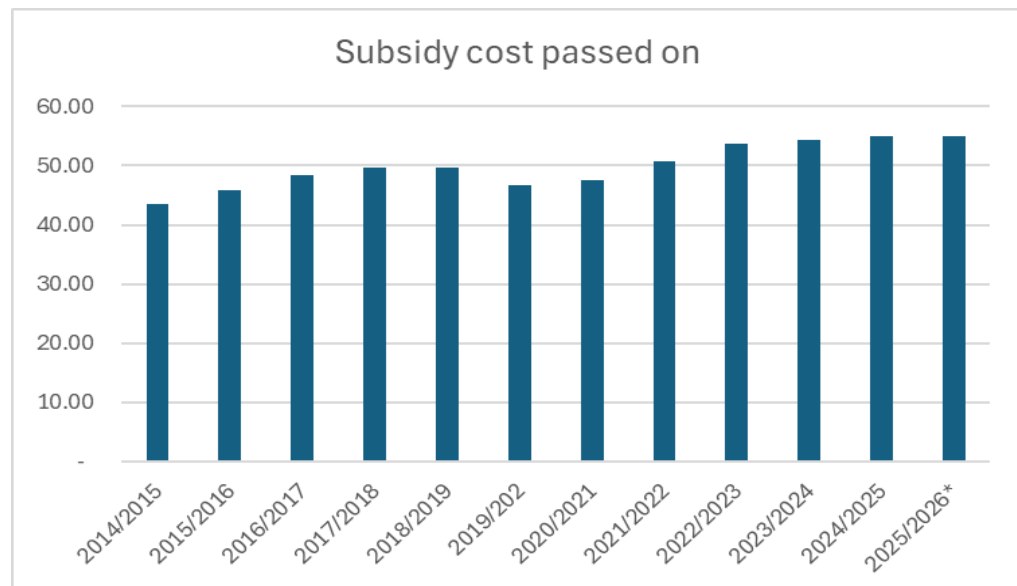
48. Waste Charges are developed to meet the City's costs of providing waste management services to the community on a simple cost recovery basis. The 2025/26 financial year will see uplifts in costs incurred due to increased operating costs (including fuel and labour) for contractors involved in collecting waste and the various contractors involved in the acceptance and processing of all waste streams, along with a 3.5% increase foreshadowed in the landfill levy from \$85 to \$88 per tonne.
49. At the March 2021 Ordinary Council Meeting, Council considered the matter of pensioner discounts for waste charges and determined to maintain the existing \$230 discount adjusted annually for CPI unless determined otherwise at budget adoption. The subsidy for 2025/26 is calculated to be \$277.75.

50. For 2025/26, the Full-Service Residential Waste Charge is proposed at \$674.95 (\$659.15 in 2024/25) representing an increase of 2.4% and the Full-Service Pensioner Residential Waste Charge is proposed at \$397.20 (\$388.95 in 2024/25).

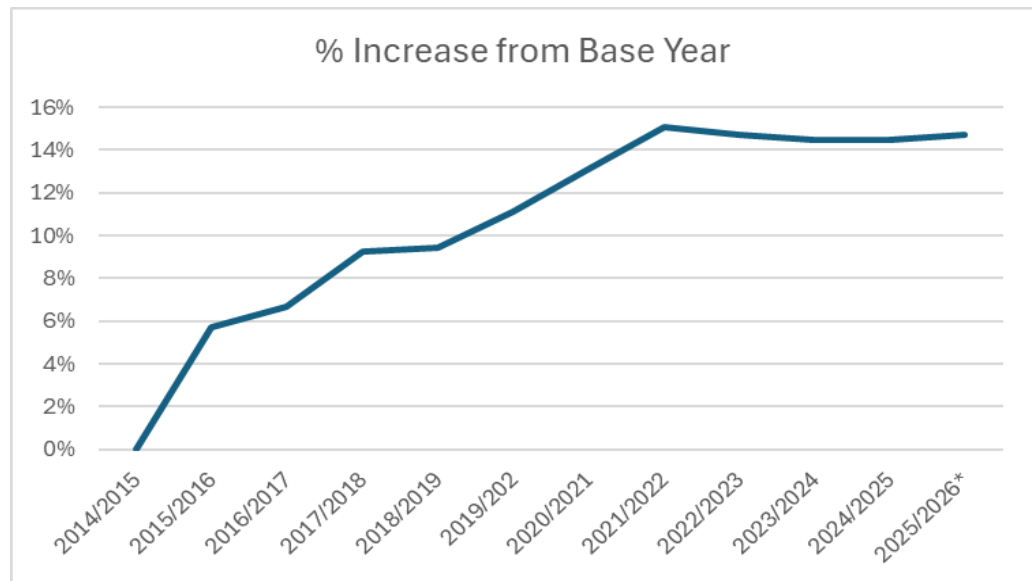
51. Based on the current number of eligible pensioners totalling 3,762 the cost of the subsidy is estimated at \$1,044,896 which is then shared across non-pension property owners.

In effect, this means the standard resident waste charge is subsidising pensioners, by an amount of approximately \$55 per household. In other words, of the \$674.95 charge, \$55 represents the cost passed on to provide the subsidy to the eligible pensioners.

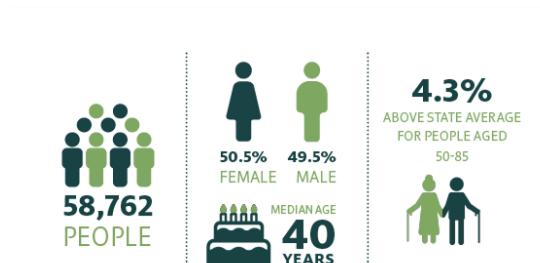
The table below shows the cost of the subsidy in the last 12 years.



52. The subsidised rate is also dependant on the number of pensioners as a proportion of the rate base; this is demonstrated in the graph below over a twelve (12) year period.



The cost of the subsidy is most likely to increase due to the demographic data which indicates the City has a higher than state average for people aged in the 50-85 year age group (4.3% above the state average).



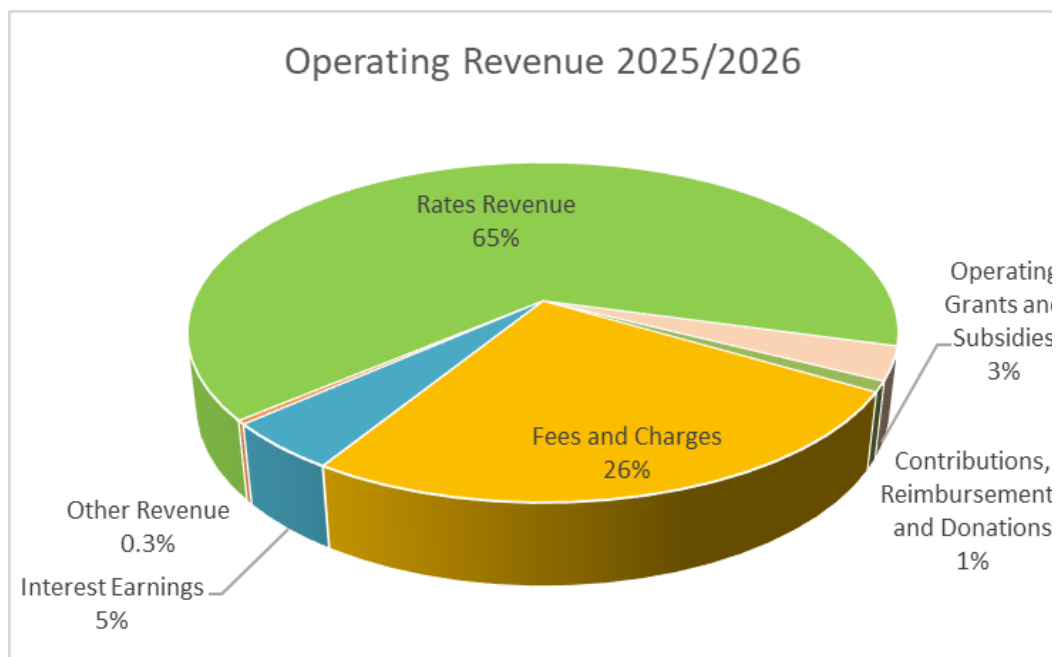
### Outcome of Advertisement of Differential Rates

53. On 27 May 2025 Council resolved to advertise the proposed differential and minimum rates for public comment. The level of rate increase are 5% for Gross Rental Value (GRV) General (Residential), Unimproved Value - General, and 7% GRV Commercial/Industrial and UV Commercial categories.

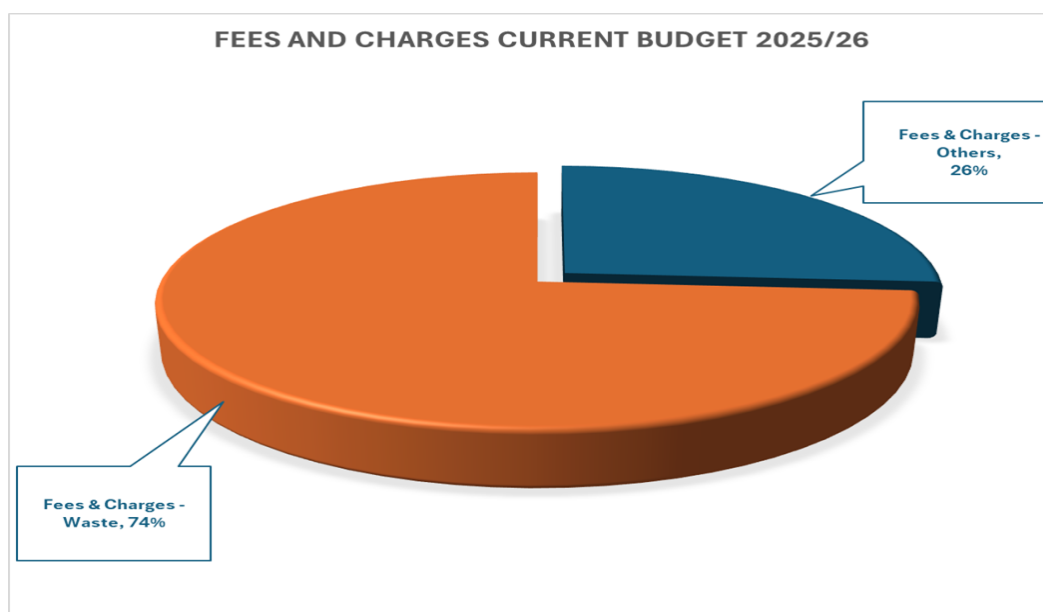


54. The rate in the dollar was advertised in the local newspaper for a period of 21 days. A number of submission were received and reflected concerns at the level of rate increase in light of the current cost of living crisis. There was also comment the City's rates are one of the highest which is incorrect as noted through the benchmarking exercise conducted. The City's GRV - General rate, which incorporates Residential properties, was 9% lower than the average for general rates and 17% lower for the minimum rate applicable for this category.
55. It is not proposed to amend the advertised differential rates as a consequence of the submissions received.
56. **Budget 2025/26**  
The charts below provide an outline of the revenue and expenditure for budget 2025/2026 depicted as follows:
- a) Operating Revenue 2025/2026 – shows the key revenue streams of the City reflecting the significant reliance placed on the Rates Revenue to fund the City's Operations and Renewable Capital Works Programme.
  - b) Fees and Charges 2025/2026 – shows that the Waste Charges makes up the bulk of the fees making up 74% of the amount raised. As this fee is cost neutral (i.e. the Council only charges what it is estimated to cost to provide the service), it does not reduce the burden on the raising of the rates.
  - c) Other Fees and Charge (Excluding Waste) 2025/2026 – This chart shows the various service areas where fees and charges are raised. Some are due its regulatory function which again is primarily to cover to administration costs and the rest are user pays fees which helps cover operational running costs of city facilities.
  - d) Operating Expenditure 2025/2026 – This chart shows the main sources of expenditure which are primarily, employee costs, materials and contracts and depreciation.

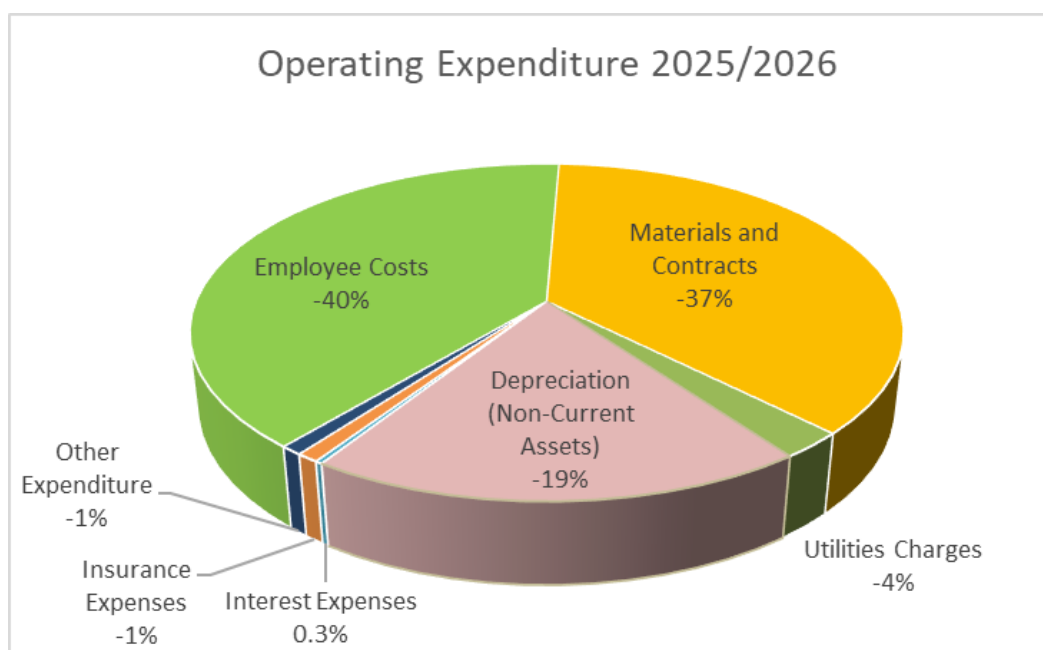
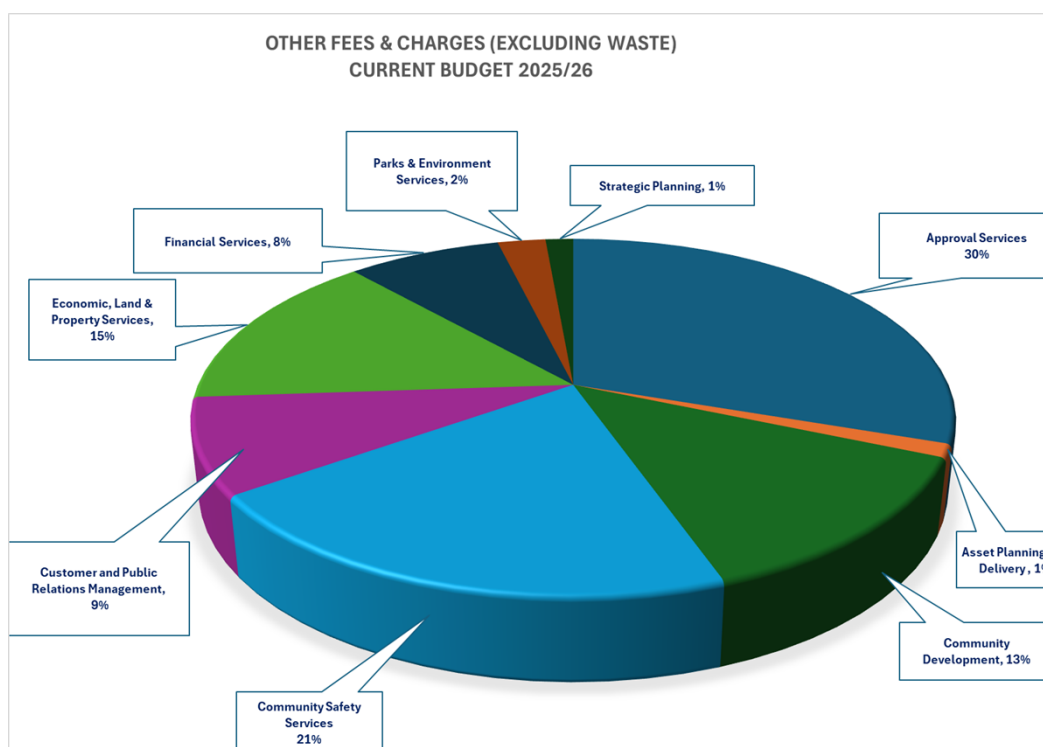
57.



58.



59.



60.

The budget has been prepared to include information required by the *Local Government Act 1995*, *Local Government (Financial Management) Regulations 1996* and Australian Accounting Standards. The main features of the budget include:

- a) Adoption of a Percentage for Reporting Material Variances – each financial year, a local government is to adopt a percentage or value, calculated in accordance with Australian Accounting Standards, to be used in statements of financial activity for reporting material

variances. The level proposed for 2025/26 is 10% or \$50,000, whichever is greater.

- b) The Salaries and Allowances Tribunal in April 2025 increased Elected Member Allowances by 3.5% (and rounded). Adoption of the following annual fees for the payment of Councillors in lieu of individual meeting attendance fees: -
  - i. Mayor \$34,890
  - ii. Councillors \$26,020.
- c) Adoption of the following annual allowances: -
  - i. Telecommunications, Communication and Technology Allowance (where Councillors provide their own device) \$3,500
  - ii. Telecommunications, Communication and Technology Allowance (where the City provides Councillors with a device) \$2,300
  - iii. Travel Allowance \$100
  - iv. City Mayor annual allowance \$70,950
  - v. Deputy City Mayor annual allowance \$17,738
- d) From 19 October 2025, in line with the change in regulations, Elected Members are eligible to be paid superannuation at 12% on ordinary earnings which is their attendance fees and the allowance paid to the Mayor and Deputy Mayor.
- e) The comparison between budget 2024/2025 and the proposed budget for 2025/2026.

Overall Operating Income has increased by \$6.7M, made up of the following key changes:

- i. Rates revenue has increased by \$4.0M compared to budget 2024/2025. The amount includes ex-Gratia rates of \$264K from Co-operative Bulk Handling (CBH) and Dampier Bunbury Natural Gas Pipeline.
- ii. Fees and charges have increased by \$1.3M with Waste Charges adjusted by \$439K. The City's waste charges are calculated on a cost-recovery basis for all waste-related services, with a 2% increase in waste charge being requested in line with waste contracts increases.

Discretionary fees and charges have been increased in line with costs and with an aim to improve the OSR. By increasing discretionary fees and charges the subsidy on those services is reduced. It should be noted that several of the Fees and Charges are statutory fees and not set by Council.

- iii. Interest earnings have increased by \$1.1M even though the Reserve Bank Cash Rate is falling. The reason for the higher forecast is primarily due to a higher Reserves balance. This has resulted from funds due from the Eastern Metropolitan Regional Council in July 2025 and a slight change in the way the rates interest will be calculated in 2025/26 such that it includes not just the rates and ESL outstanding but also any other charges outstanding such as waste, swimming pool inspection and debt collection costs which were previously excluded.
- iv. Other revenue has increased by \$161K, primarily due to recognition of a software discount applicable.

Overall Operating Expenditure has increased by \$9.7M, made up of the following:

- i. Employee costs increase of \$4.7M,
- ii. Materials and Contracts increase of \$4.3M,
- iii. Utility charges decreased by \$256K,
- iv. Depreciation increase of \$414K,
- v. Other expenditure decreases by \$67K,
- vi. with minor variances in the other categories.

The key reasons for the above increases are:

- a) Employee costs increase due to Enterprise Bargaining Agreement and statutory increase in superannuation. Further resources are being placed in the Governance and Strategy areas. It should also be noted that some of the roles are to drive certain strategic areas including the implementation of the new Enterprise Resource Planning system and are funded from Reserves.
- b) When compared to other Local Governments, the City costs for 2023/24 audited financials showed the % of overall Operating expenditure sat at 35% whereas benchmark was as at 39%
- c) Waste costs increase mainly due to contractual increases of existing waste agreements along with a foreshadowed 3.5% increase in the landfill levy from \$85 to \$88 per Tonne.
- d) There has been a 12.5% increase in the estimated utility costs as a result of allowance of a 7.5% increase in street lighting tariffs and the balance made up of a significant increase in the supply charge from Western Power on all contestable sites. The purported savings by WALGA are only based on consumption rates which are insignificant when compared to the overall increase in the total bill which early analyses shows a 18% - 47% increase depending on the site. The City has allowed for a \$100K increase to allow for this and

will need to be reflected in new lease agreements with both community and commercial organisations

- e) A Capital Works program is outlined on pages 27-31 in the Attachment.
- f) Reserves as per note 9 on pages 19 of the Attachment.
- g) Borrowings as per note 7 on pages 16-17 of the Attachment. This includes new loans of \$3.96.

61. The City's Capital Works program totals \$56.2M including overheads. The 2025/26 financial year will see the progression of the following key flagship projects for the City:

- High Wycombe Aquatic and Recreation Centre – Design Development
- Hartfield Park Community Facilities – Design Development and Commence Construction
- Scott Reserve Pavilion – Commence Construction
- Norm Sadler Pavilion - Complete Construction
- Ray Owen Oval Redevelopment – Commence Construction

The City's Capital Works program sees priority placed on delivering the City's already committed Community Facility projects.

The Capital Works program does note a reduction in the number of new projects being committed to by the City. This reflects a commitment to deliver projects and complete the backlog prior to reconsidering requests for new projects in the 2025/26 financial year. It is noted that additional funding for the Street Tree Planting program will be considered as part of the Mid-Year Budget Review process.

### **Reserves Details**

62. The City's Reserves are improving overall, with original projection for 30 June 2025 balance to be \$28M whereas estimate is now at \$35M. This balance increases further at 30 June 2026 to \$54M with the main elements relating to:

- a) \$30.7M reflected as a receivable from the Eastern Metropolitan Regional Council (EMRC) as the City has exited from being a member of the EMRC in 2023. The payment is due in July 2025. An amount of \$600K has also been factored in for interest income based on current available rates. The amount received will be placed in a new Reserve called the "Future Projects Strategic Reserve". The Reserve purpose as per title will look at how we transform the City's revenue base such that we reduce the dependency on Rates as a primary source for its operations. This is

also in line with the submissions received from ratepayers which lament on the City's over reliance on rates.

- b) Hatch Court Future DCP, a new reserve has been created and is in line with the High Wycombe South Future DCP. Both these reserves will unlock development with the resultant effect of generating significant rateable and commercial revenue for the City. The amounts are regarded as seed monies and will be reflected as receivables to be recovered from the DCP from property owners.
- c) The Asset Enhancement Reserve shows a drawdown of \$11M to allow for the funding of the City's strategic projects.
- d) The implementation costs for the City's new ERP with phase 1 which has commenced will be requiring a drawdown of \$1.9M to fund a key business transformation project.
- e) The Land Development Reserve will be accessed to fund works on recently acquired Hatch Court.

A benchmark study was undertaken as part of the budget process which shows the City is at the bottom of all band 2 Councils when we compare the amount of money held in Reserves to the total Equity balance with a ratio of 3.5% whereas benchmark average is 6.1%.

The City is due to receive funds from the EMRC in July 2025 which will greatly assist in bringing the ratio to the average benchmark. As noted above, the City will deliberate further as part of the LTFP how these funds can be used effectively to aid in the delivery of strategic projects and also maintain future financial sustainability.

### 63. **New Reserves planned for 2025/26**

The following Reserves are planned for 2025/26.

- a) Future Projects Strategic Reserve As noted above, the funds receivable from EMRC will be placed in this reserve. The funds will be used effectively to aid in the delivery of strategic projects which will assist in transforming the City's revenue base and in effect maintain its future financial sustainability
- b) Hatch Court Future DCP Reserve  
To prefund infrastructure works to encourage development in specified area, costs to be recovered from future developer contributions.

### **Borrowings Details**

64. The City intends to take out four new loan facilities in 2025/2026. These are:
- a) Scott Reserve Development - \$2M to assist in funding the City's component for the significant capital works being undertaken in this reserve. The funds will be borrowed from WATC.
  - b) Redevelopment of Norm Sadler Pavillion - \$1M to bridge funding gap in light of increased tender costs and allocated funding from reserves and accessible grants.
  - c) Land Development – 15 -21 Edney Rd - \$600K to allow for the design and delivery costs. The funds are likely to be sourced from WATC.
  - d) Land Development – Cambridge Reserve - \$360K for the design and delivery costs. The funds are likely to be sourced from WATC.
65. In accordance with Section 6.2 of the *Local Government Act 1995*, a local government is required to adopt its budget prior to 31 August each year.
66. The early adoption of the budget enables the City to commence its extensive Capital Works Program. It also ensures that the City maintains a positive cash flow which is crucial for the sustainable operations of the City.
67. The estimated unaudited year-end 30 June 2025 position is a surplus of \$7.6M with a proposed 30 June 2026 forecast closing position surplus of \$47K.
68. Rates are calculated as GRV, or UV valuations multiplied by the rate in the dollar. A minimum rate will apply if the rates calculated fall below the minimum rate applicable for the category. This allows for a minimum contribution that all properties in that category need to pay to help pay for the City's costs. The rate in the dollar outlined in this report for each rating category is as follows:



Rating Category	Rate Applicable (cents)	Denomination	Minimum Rate Applicable \$
General GRV	7.01240	Cents in the dollar	1,240.00
Industrial/Commercial GRV	8.71150	Cents in the dollar	1,344.00
Vacant GRV	14.01990	Cents in the dollar	1,240.00
General UV	0.40300	Cents in the dollar	1,240.00
Commercial UV	0.50150	Cents in the dollar	1,344.00
Waste Avoidance and Resource Recovery Levy (All Categories)	0.05600	Cents in the dollar	26.80

69. When compared to other local governments, the residential (General) rate in the dollar was 9% below the metropolitan average for band two councils and the industrial/commercial rate in the dollar was 2% below the band two average and similarly the minimum rate for residential (General) was 17% below the metropolitan average for band two councils.

#### **APPLICABLE LAW**

70. Section 6.2 of the *Local Government Act 1995* requires a local government to adopt its budget prior to 31 August each year.
71. Divisions 5 and 6 of Part 6 of the *Local Government Act 1995* refer to the setting of budgets and the raising of rates and fees and charges. The 2025/26 Budget as presented is considered to meet these statutory obligations.

#### **APPLICABLE POLICY**

72. The 2025/26 Budget has been developed on the principles contained within the Long-Term Financial Plan.

#### **STAKEHOLDER ENGAGEMENT**

73. The City has worked closely with Elected Members to review budget line items in the development of the Annual Budget for 2025/26.
74. The City conducted a series of Budget workshops during February to May 2025 discussing all aspects of the budget formulation.

- 75. The City has met its statutory obligations with respect to community consultation whereby a Notice of Intention to Levy Differential Rates was advertised in the local newspaper, via the City's website and a public notice was posted on City noticeboards advising the public comment timeframe.
- 76. The Objects and Reasons for raising differential rates have been made available for inspection at the Administration Centre, City Libraries and on the City's Website.
- 77. The City has taken all key factors into consideration in developing the budget. A continued focus will be to closely monitor expenditure whilst identifying alternate revenue streams.
- 78. The proposed rate increase is consistent with many other local governments, who have announced increases between 3% and 7% noting that the lower one's have multiple revenue streams which Kalamunda doesn't have
- 79. The City has mechanisms in place and a hardship policy to assist those ratepayers struggling to pay the rates and charges within normal terms.

## **FINANCIAL CONSIDERATIONS**

- 80. The Budget is formulated based on delivering a sustainable financial position while delivering the services and infrastructure needs of the community.
- 81. The City is focused on minimising growth in operational expenditures and is committed to introducing a mix of innovations, cost savings measures and new agile technology for efficient and effective management of its operations.
- 82. The proposed rating structure is a core element in ensuring ongoing financial sustainability. It is also vital in enabling the City to deliver its significant capital works program and provide the services required by the community.

## **SUSTAINABILITY**

### **Social Implications**

83. The Budget delivers social outcomes identified in various planning and community-supporting strategies that have previously been adopted by the Council.

### **Economic Implications**

84. The Budget has been developed based on sound financial management and accountability principles and is considered to deliver a sustainable economic outcome for the City and the community.
85. Although the previous year's record CPI levels have subsided, the 2025/26 year continues to see volatility in several areas of construction costs placing considerable pressure on building and construction projects. The City is responsible for more than \$1 Billion in assets and the annual depreciation reflecting a minimum investment in the renewal of existing assets at more than \$17 Million. This will match the current depreciation rate of the City's assets,
86. The LGCI provides an indication of changes in the Western Australian economy relating more closely to the functions of local government. The LGCI is forecast to reduce from 3.6% in the 2024/25 financial year to 3.3% in the 2025/26 financial year as supply chain issues are resolved and unemployment ticks up slightly.

However, the City is facing significant headwinds in the area of Asset Services in the following areas which has greatly impacted the materials and contracts expenditure.

- a) Traffic Management costs which is a compliance requirement when crews are working on road and drainage infrastructure is estimated to cost at least a \$1 Million annually. With the State Government awarding significant increases to their contractors on Metro projects resulting in the City's own contractors having to match these pay rates to retain staff causing the significant increase in costs.
- b) The City has received new Parks with the increase in sub-divisions such as the Hales in Bushmead. These new parks will require maintenance.

- c) The City has recently upgraded some of its parks, such as, Stirk Park and Magnolia Park with community expectation that they provide higher amenities which have significant cost impacts.
- d) Tender results for outsourced services show significant increases such as:
  - Parts for reticulation of the Reserves have gone up above CPI with some increases by 20% to 40%.
  - Powerline pruning has increased by 100% partially due (i) above
  - Asphalt resurfacing costs have increased by 14.5%

### Environmental Implications

87. The Budget has been developed to support key environmental strategies and initiatives adopted by Council.

### RISK MANAGEMENT

88.	<b>Risk:</b> Declining economy adversely impacts capacity of ratepayers to pay rates.		
	<b>Consequence</b>	<b>Likelihood</b>	<b>Rating</b>
	Moderate	Possible	Medium
	<b>Action/Strategy</b>		
	Monthly management reports are reviewed by the City to assess collection of rates. Instalment and other payment options are in place to assist ratepayers manage their debts to the City. Cash flow forecasting is done regularly to match outgoings and investments.		

89.	<b>Risk:</b> Capital Works project cost estimates are insufficient to fully fund projects		
	<b>Consequence</b>	<b>Likelihood</b>	<b>Rating</b>
	Moderate	Possible	Medium
	<b>Action/Strategy</b>		
	The development and subsequent implementation of a Project Management Office (PMO) will seek to derisk projects prior to budget adoption, reducing likelihood of cost escalation through the construction phase.		

90.

<b>Risk:</b> Non-compliance with Financial Regulations leading to adverse audit findings and reputational damage for the City.		
<b>Consequence</b>	<b>Likelihood</b>	<b>Rating</b>
Significant	Unlikely	Medium
<b>Action/Strategy</b>		
The Budget report is reviewed by the City's Governance team to ensure all statutory requirements are met. Finance staff attend industry-relevant training and receive materials to assist with the preparation of the budget report and attachment, to ensure compliance with the Financial Regulations.		

91.

<b>Risk:</b> Budget Adoption is delayed potentially breaching <i>Local Government Act 1995</i> requirements		
<b>Consequence</b>	<b>Likelihood</b>	<b>Rating</b>
Critical	Unlikely	High
<b>Action/Strategy</b>		
Emergency spending is approved by Council until the Budget is adopted. All project and non-discretionary work is delayed until Budget is adopted. Staff affected by the delays in projects are sent on forced annual leave. Bank Overdraft facility is activated to supplement cash flows. Payments to suppliers may need to be re-negotiated.		

## CONCLUSION

92.

The City has undertaken a thorough analysis of its budget working proactively with Elected Members to generate efficiencies and maintain control over operating expenses.

93.

The 2025/26 Budget provides a framework to deliver on the strategies adopted by Council and maintains high levels of service across all programs while ensuring an increased focus on road and associated infrastructure as well as on renewal of assets at sustainable levels.

94.

The 2025/26 Budget is guided by the City's LTFP which is closely aligned to the Integrated Planning Framework.

95.

The City is committed to maintaining a strong focus on ensuring it manages its key financial ratios to ensure its long-term financial sustainability.

96. Following advertising of the differential rate and subsequent community feedback, Council has opted to adopt against the two main categories the following rate increases for the 2025/26 Budget:
- I. GRV/UV General 5%
  - II. GRV/UV Industrial & Commercial 7%
97. The City will continue to focus strongly on cash-flow management and on maintaining control over operating expenditure. The City will continue to manage its income and cash reserves to enable the City to operate in a financially sustainable manner.

<b>Voting Requirements: Absolute Majority</b>
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## 2025/2026 BUDGET RECOMMENDATIONS

### ***Part 1 – Elected Members’ Fees and Allowances for 2025/2026***

That Council:

1. ADOPT, pursuant to Section 5.99 of the *Local Government Act 1995* and Regulation 34 of the *Local Government (Administration) Regulations 1996* the following annual fees for the payment of Elected Members in lieu of individual meeting attendance fees: -
 

City Mayor -	\$34,890
Elected Members -	\$26,020
  
2. ADOPT, pursuant to Section 5.99A (b) of the *Local Government Act 1995* and Regulations 34A and 34AA of the *Local Government (Administration) Regulations 1996*, the following annual allowances:-
 

Telecommunications, Communication and Technology Allowance – (Councillors provide their own device)	\$3,500
Telecommunications, Communication and Technology Allowance (City provide Councillors with a device)	\$2,300
Travel Allowance -	\$100

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

City Mayor - \$70,950

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

City Deputy Mayor - \$17,738

## **Part 2 – Schedule of General Fees and Charges for 2025/2026**

That Council:

1. ADOPT pursuant to Section 6.16 of the *Local Government Act 1995*, the Fees and Charges as per (Attachment 1).
2. Endorse the Rules applying to the Schedule of Charges For Community Facilities 2025/2026.
3. ADOPT, pursuant to Regulation 53 of the *Building Regulations 2012*, a swimming pool inspection fee of \$65.00.
4. ADOPT, pursuant to Section 67 of the *Waste Avoidance and Resources Recovery Act 2007*, *Local Government Act 1995 Section 6.16*, the following charges: -
  - a) Walliston Transfer Station (including GST where applicable)  
The deposit of rubbish at Walliston Transfer Station and Collection of specific items will be charged as follows: -

<b>Verge Collection Services</b>		
		\$
Collection of Whitegoods or Mattresses (resident)	First item	49.50
	Second Item	44.00
Collection of Whitegoods or Mattresses (pensioner and/or concession card holder)	First item	30.25
	Second Item	26.60

<b>Walliston Transfer Station - (Non-commercial resident only)</b>		
		\$
Car & Motorcycle Tyre (max 5/entry)	Per tyre	11.50
Four Wheel Drive (max 5/entry)	Per tyre	18.50
Truck/Tractor Tyres (max 2/entry)	Per tyre	50.00
Additional Resident Entry Pass	Per Entry	70.00
Additional FOGO Compost Bags 25Ltrs (upto 4 additional Bags)	Per Item	At Cost

<b>The City charges commercial fees for any of the following situations:</b>		
		\$
Commercial/Trade Waste		
- Your vehicle or trailer is commercially signed or badged (unless you have a valid Vehicle Permit)		
- Your waste is from a work site		
- You are transporting waste for a fee or reward		
<b>Charges that apply are</b>		
Cars/ Station Wagons	Per Vehicle	70.00
Small Vans/Utes	Per Vehicle	87.500
Trailer (6X4)	Per Trailer	88.50
Trailer (7X5) with High Sides	Per Trailer	99.50
Small trucks up to 3.5 tonnes GVM	Per Vehicle	500.00

b) Waste Avoidance and Resources Recovery Levy

Adopt a levy of 0.056 cents in the dollar against the Property's GRV valuation as provided by Landgate, with a minimum charge of \$26.80 on all properties.

**Part 3 – Other Statutory Fees for 2025/2026**

That Council:

- ADOPTS, pursuant to Section 67 of the *Waste Avoidance and Resources Recovery Act 2007*, Local Government Act 1995 Section 6.16, the following charges for the removal and deposit of domestic and commercial waste by waste receptacle/s (Including GST where applicable): -

<b>Waste Services</b>		\$
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Residential Full Service – 3 Bins - 1x 240Ltr lime green lidded mobile FOGO bin (MFB) Weekly; and - 1x240Ltr yellow lidded mobile recycling bin (MRB) Fortnightly; and -1x 140Ltr red lidded general waste bin (MGB) Fortnightly	Property	674.95
Residential Full-Service Pensioner* -3 Bins as per above service	Property	397.20
Residential Multi Unit (excludes MFB, MRB & MGB)	Dwelling	300.75
Residential Multi Unit Pensioner (excludes MFB, MRB & MGB)	Dwelling	255.50
No Access to Skip Bins Reduced Charge	Property	610.00
Commercial & Industrial (general waste and recycling only, no FOGO service)	Property	1140.00
Establishment Fee 240Ltr Lime Green Lidded Bin FOGO (MFB)	Property	70.00
Additional 240Ltr Lime Green Lidded FOGO (MFB) Waste Bin/s Weekly Service to existing Standard Residential Full Service (all properties)*	Bin	165.00
Establishment Fee 140Ltr Red Lidded Bin General Waste (MGB)	Property	70.00
Additional 140 Ltr Red Lidded General Waste (MGB) Bin/s Residential Fortnightly Service to existing Standard Residential Full Service (all properties) *	Bin	180.00
Additional 140 Ltr Red Lidded General Waste (MGB) Bin Residential	Bin	80.00

Fortnightly (all properties)* exceptional circumstances		
Establishment Fee 240Ltr Yellow Lidded Bin Recycling (MRB)	Property	75.00
Additional 240 Ltr Yellow Recycling (MRB) Bin Residential Fortnightly (all properties)*	Bin	115.00
Additional 240Ltr Dark Green Lidded General Waste (CMGB) Bin Commercial / Industrial properties weekly	Bin	786.00
Additional 240Ltr Yellow Lidded Recycling (CMRB) Bin Commercial / Industrial properties Fortnightly	Bin	175.00
Additional Extra Skip Bin (General Waste)	Bin	260.00
Additional Extra Skip Bin (Green Waste)	Bin	173.00
Re-print Walliston Transfer Station Entry Pass		11.00
Removal of Excess or Non- Conforming Waste from Skip Bin	Bin	Cost plus 10%
Establishment Fee – New Residential Service 3 Bins (MGB, MFB, MRB) plus Kitchen Caddy & Liners	Property	215.00
Establishment Fee – New Commercial Service 2 Bins (No FOGO)	Property	145.00
Windy Bin Latches, Kitchen Caddy,	Item	At cost
Compostable Kitchen Caddy Liners Pick up additional Rolls (up to 3 additional rolls)	Item	At Cost
Tactile Bin Symbols (with medical certificate if requested)	Item	Nil
Recovery Fee – Demolition Waste Refuse - Recovery Fee if property Demolished and	Per Property	300.00

owner has not contacted the City to remove bins and bins are missing		
On demolition applications states to complete the request for removal of bins to recoup the City's assets		
* Full Pensioner Discount applies to the Primary Owner-Occupied Residential property only (excluding restricted sites) and must be valid Pensioner from 1 July of each financial year. No discount is applicable for additional services, commercial or industrial properties.		

#### **Part 4– New Loans**

That Council AUTHORISE the inclusion of the following new loans in the Municipal Fund Budget:

1. Scott Reserve Development up to \$2,000,000 over 10 years from the West Australian Treasury Corporation.
2. Redevelopment of the Norm Sadler Pavillion - \$1,000,000 over 10 years from the West Australian Treasury Corporation.
3. Subdivision and Disposal of 15-21 Edney Road, High Wycombe - \$600,000 over five years from the West Australian Treasury Corporation.
4. Cambridge Reserve Development - Community Enhancement Project - \$360,000 over five years from the West Australian Treasury Corporation.

#### **Part 5– New Reserve Funds for 2025/2026**

That Council:

1. ESTABLISH, pursuant to the provisions of Section 6.11 of the *Local Government Act 1995* and *Part 2 of the Local Government (Administration) Regulations 1996*, the following new reserves and their purpose: -

- a. Future Projects Strategic Reserve  
The funds will be used effectively to aid in the delivery of strategic projects which will assist in transforming the City's revenue base and in effect maintain its future financial sustainability.
- b. Hatch Court Future DCP Reserve  
To prefund infrastructure works to encourage development in specified area, costs to be recovered from future developer contributions.

### ***Part 6– Municipal Fund Budget for 2025/2026***

That Council:

1. ADOPT, pursuant to the provisions of Section 6.2 of the *Local Government Act 1995* and *Part 3 of the Local Government (Administration) Regulations 1996*, the City of Kalamunda Municipal Fund Budget for the 2025/2026 financial year as contained in Attachment 1, which includes the following:
  - 
  - a) Statement of Comprehensive Income;
  - b) Statement of Cash Flow;
  - c) Statement of Financial Activity (showing, and the amount required to be raised from rates (of \$51,522,656 and a net surplus current asset at the end of the financial year of \$46,786);
  - d) Notes to and forming part of the Budget;
  - e) Fees and Charges Schedule;
  - f) Transfers to/from Reserve accounts.
2. NOTE the Capital Works Budget

***Part 7- General and Minimum Rates, Instalment Payment Arrangements, and Incentives for Early Payments for 2025/2026***

That Council:

1. IMPOSE, pursuant to Sections 6.32, 6.33, 6.34 and 6.35 of the *Local Government Act 1995* the following differential general and minimum rates on Gross Rental and Unimproved Values adopted for the purpose of yielding the deficiency disclosed by the Municipal Fund Budget adopted at Part 5 above.
  - a) Notes the Ratepayer's submissions and acknowledges their concerns.
  - b) General Rates
    - i. General - Gross Rental Values (GRV) 7.01240 cents in the dollar
    - ii. Industrial/Commercial Values (GRV) 8.71150 cents in the dollar
    - iii. Vacant Land Value (GRV ) 14.01990 cents in the dollar
    - iv. General - Unimproved Values (UV) 0.40300 cents in the dollar
    - v. Commercial – (UV) 0.50150 cents in the dollar
  - c) Minimum Rates
    - i. General - Gross Rental Values (GRV) \$1,240
    - ii. Industrial/Commercial – GRV \$1,344
    - iii. Vacant Land – GRV \$1,240
    - iv. General - Unimproved Values (UV) \$1,240
    - v. Commercial – UV \$1,344
  - d) Instalment Arrangements
    - i. NOMINATE, pursuant to Section 6.45 of the *Local Government Act 1995* and Regulation 64(2) of the *Local Government (Financial Management) Regulations 1996*, the following due dates for the payment of rates in full and by instalments:-
      - A. Full payment Option  
Full amount of rates and charges, including arrears, to be paid on or before 19 August 2025 or 35 days after the date of issue appearing on the rate notice, whichever is later.
      - B. Two Payment Option  
First Instalment to be paid on or before 19 August 2025 or 35 days after the date of issue appearing on the rate notice, whichever is later, including all arrears; and  
Second Instalment to be paid on or before 23 December 2025, or 2 months after the due date of the first instalment, whichever is later.
      - C. Four Payment Option

First Instalment to be paid on or before 19 August 2025 or 35 days after the date of issue appearing on the rate notice, whichever is later, including all arrears; and

Second Instalment to be paid on or before 21 October 2025, or 2 months after the due date of the first instalment, whichever is later.

Third Instalment to be paid on or before 23 December 2025, or 2 months after the due date of the second instalment, whichever is later.

Fourth Instalment to be paid on or before 24 February 2026, or 2 months after the due date of the third instalment, whichever is later.

- e) IMPOSE, Pursuant to Section 6.45(3) of the *Local Government Act 1995* and Regulation 67 of the *Local Government (Financial Management) Regulations 1996*, Council adopts an instalment administration charge where the owner has elected to pay rates (and service charges) through an instalment option of \$9 for each instalment after the initial instalment paid
- f) IMPOSE, Pursuant to Section 6.45 of the *Local Government Act 1995* and Regulation 68 of the *Local Government (Financial Management) Regulations 1996*, Council adopts an interest rate of 5.5% where the owner has elected to pay rates and services charges through an instalment option.
- g) IMPOSE, Pursuant to Section 6.51(1) and subject to Section 6.51(4) of the *Local Government Act 1995* and Regulation 70 of the *Local Government (Financial Management) Regulations 1996*, Council adopts an interest rate of 11% for rates (and service charges) and costs of proceedings to recover such charges that remains unpaid after becoming due and payable.

***Part 8 – Material Variance Reporting for 2025/2026***

That Council:

1. SET the material variance level to be used in statements of financial activity in the year 2025/2026 for reporting variances at 10% or \$50,000, whichever is the greater. In accordance with Regulation 34(5) of the *Local Government (Financial Management) Regulations 1996*, and AAS 2018-7.

### 10.6.5. Delegations from Council to the Chief Executive Officer - 2025 Review

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

Previous

Items

Directorate Office of the CEO

Business Unit Governance

File Reference LE-ACT006

Applicant

Owner

- Attachments
1. Draft Register of Delegations - Council to CEO - 2025 [10.6.5.1 - 59 pages]
  2. Draft Register of Delegations - Council to CEO - 2025 Marked Up [10.6.5.2 - 75 pages]

#### TYPE OF REPORT

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

#### STRATEGIC PLANNING ALIGNMENT

*Kalamunda Advancing Strategic Community Plan to 2031*

##### **Priority 4: Kalamunda Leads**

**Objective 4.1** - To provide leadership through transparent governance.

**Strategy 4.1.1** - Provide good governance.



**EXECUTIVE SUMMARY**

- 1. The purpose of this report is for Council to consider the 2025 review of the delegations to the Chief Executive Officer (CEO).
- 2. In assessing the current delegations, the review has concluded the current delegation levels overall are appropriate, effective and provide for administrative efficiencies.
- 3. It is recommended that Council note the review and adopt the delegations detailed in the draft Delegations Register (Attachment 1).

**BACKGROUND**

- 4. In order to carry out its functions efficiently and effectively, section 5.42 of the *Local Government Act 1995* (the Act) provides that Council may delegate some of its powers and duties to the CEO (or to another staff member, in some cases).
- 5. Section 5.46 of the Act requires each Council to review its delegations at least once every financial year.
- 6. Council last reviewed its delegations on 25 June 2024. The current delegations must be reviewed by 30 June 2025.

**DETAILS AND ANALYSIS**

- 7. In assessing the current delegations, the review has concluded the current delegation levels overall are appropriate, effective and provide for administrative efficiencies. The table below provides a summary of the changes that have been made.

Delegation	Change	Reason
BLD8	Function has been amended to reflect the title and legislative reference.	The function was incorrect in relation to the title and intention of the delegation and has now been corrected.
BFA4	Title amended	To better reflect the functions being delegated.
FOOD1	The delegation is amended to the Director Community Services.	The relevant Director has changed due to a restructure of the organisation and retitling of positions.

Revoked Delegations	The detail around the revoked delegations has been removed and replaced with a list.	To reduce any confusion of the currency of the delegations.
STA1 – Strata Titles	Removed the detail of this delegation and added the title to the list of revoked delegations.	This delegation was removed in the 2023 review. The detail has been removed to reduce any confusion as to whether it is still current.
Expired Delegations	The detail around the expired delegations has been removed and replaced with a list.	To reduce any confusion of the currency of the delegations.
Administrative changes	References to documents that are no longer current have been removed.	Reference to outdated documents is irrelevant to the delegation.
	Documents that are current reference for a delegation have been added.	It is important to include current reference information where applicable.
	Delegation LGA16 has been updated to be in the same format as the other delegations.	This provides for a consistent format for all delegations in the register.

An introduction has also been added to the register to provide context to its purpose.

8. The reviewed Register of Delegations is contained at Attachment 1. The marked up version of the register is contained at Attachment 2.

## APPLICABLE LAW

9. *Local Government Act 1995*  
*Local Government (Financial Management) Regulations 1996*  
*Building Act 2011*  
*Planning and Development Act 2015*  
*Planning and Development (Local Planning Schemes) Regulations 2015*  
*Bush Fires Act 1954*  
*Food Act 2008*  
*Public Health Act 2016*

*City of Kalamunda Local Laws  
Cat Act 2001  
Dog Act 1976*

## **APPLICABLE POLICY**

10. Nil

## **STAKEHOLDER ENGAGEMENT**

11. All Directorates have been consulted on the appropriateness and adequacy of the current delegations.
12. Public consultation is not considered necessary for this report.

## **FINANCIAL CONSIDERATIONS**

13. There are no financial considerations for this report.

## **SUSTAINABILITY**

14. Nil

## **RISK MANAGEMENT**

- 15.
- |  |                   |               |
|--|-------------------|---------------|
| <b>Risk:</b> Delegated authority is not provided to the CEO and other officers.      |                   |               |
| <b>Consequence</b>   | <b>Likelihood</b> | <b>Rating</b> |
| Significant  | Unlikely          | Medium        |
| <b>Action/Strategy</b>   |                   |               |
| Introduce processes that would assist Council with the additional decision workload. |                   |               |

## **CONCLUSION**

16. The 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 City through the responsible discharge of those powers and duties delegated by Council.

<b>Voting Requirements: Absolute Majority</b>
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**RECOMMENDATION**

That Council:

1. NOTE the review of the delegations from Council to the Chief Executive Officer.
2. ADOPT the delegations detailed in the draft City of Kalamunda Delegations Register 2025 (Attachment 1).

## 10.6.6. Application for Leave - Chief Executive Officer - August 2025

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

Previous Items	N/A
Directorate	Office of CEO
Business Unit	Office of CEO
File Reference	
Applicant	N/A
Owner	N/A
Attachments	Nil

### TYPE OF REPORT

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

### STRATEGIC PLANNING ALIGNMENT

*Kalamunda Advancing Strategic Community Plan to 2031*

#### Priority 4: Kalamunda Leads

**Objective 4.1** - To provide leadership through transparent governance.

**Strategy 4.1.1** - Provide good governance.

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

### EXECUTIVE SUMMARY

1. To seek approval of Council for leave arrangements for the Chief Executive Officer (CEO).

2. Council is responsible for the approval of annual leave for the CEO.
3. It is recommended leave be approved for the CEO for the period 18 August to 25 August 2025 (inclusive).

## **BACKGROUND**

4. Nil

## **DETAILS AND ANALYSIS**

5. The CEO, Anthony Vuleta, wishes to be absent from the position on annual leave from 18 August to 25 August 2025 (inclusive).
6. Sufficient leave will be available to enable the CEO to take annual leave at this time.
7. For leave between 21 days and 12 months. Governance Policy 18 provides that Council will appoint an Acting CEO.
8. As this period of leave is not greater than 21 days, it will not be necessary for Council to appoint an Acting CEO. The CEO will identify an appropriate Acting CEO and inform Council accordingly.

## **APPLICABLE LAW**

9. *Local Government Act 1995*  
Section 5.36 – Local government employees

## **APPLICABLE POLICY**

10. Governance 18 – Appointment of Acting CEO

## **STAKEHOLDER ENGAGEMENT**

11. Nil

## **FINANCIAL CONSIDERATIONS**

12. There are no financial implications arising from this proposal, as annual leave is paid from the annual leave provision account.

## **SUSTAINABILITY**

13. N/A

## RISK MANAGEMENT

14.	<b>Risk:</b> Health and wellbeing of an employee is detrimental.		
	<b>Consequence</b>	<b>Likelihood</b>	<b>Rating</b>
	Major	Unlikely	Medium
	<b>Action/Strategy</b>		
	Ensure the CEO's leave entitlements are supported.		

15.	<b>Risk:</b> Annual leave liabilities accrue and become a significant financial risk which will be identified by auditors.		
	<b>Consequence</b>	<b>Likelihood</b>	<b>Rating</b>
	Minor	Unlikely	Low
	<b>Action/Strategy</b>		
	Ensure leave liabilities are managed and all staff utilise their leave entitlements regularly.		

## CONCLUSION

16. The leave requested is an entitlement of the CEO's contract of employment.

<b>Voting Requirements: Simple Majority</b>
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## RECOMMENDATION

That Council APPROVE the Chief Executive Officer to have annual leave for the period 18 August to 25 August 2025 (inclusive).

**10.6.7. RFT 2310 - High Wycombe Community Hub - Request for Variation**

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

Reason for Confidentiality: Local Government Act 1995 (WA) Section 5.23 (2) (c) - "a contract entered into, or which may be entered into, by the local government and which relates to a matter to be discussed at the meeting."

Previous Items	OCM 157/2022, OCM 40/2024, SCM 87/2024, OCM 159/2024, OCM 76/2025
Directorate	Development Services
Business Unit	City Transformation
File Reference	3.010520
Applicant	N/A
Owner	
Attachments	Nil

**TYPE OF REPORT**

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

**Provided under separate cover.**



**11. Motions of Which Previous Notice has been Given**

**11.1. Review of City Spending and Revenue Sources**

**MOTION**

<b>Voting Requirements: Simple Majority</b>
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That Council:

1. ACKNOWLEDGE that many of our City's ratepayers are doing it tough during a cost of living crisis.
2. NOTE the comments made by sections of the community that a 5% rate rise is too high.
3. REQUEST the Chief Executive Officer undertake an Internal Review of the City's Budget, bringing a report to December 2025 Council Strategy Session providing:
  - a) An analysis of discretionary City expenditure and to identify any savings;
  - b) An analysis of City revenue to identify areas to grow the City's revenue base.

Moved: **Cr David Modolo**

Seconded:

**Rationale**

1. The City's residents are experiencing significant financial stress due to inflation, rising interest rates, and increased costs of essentials such as food, fuel, and utilities.
2. A portion of community feedback has been critical of the 5% rate rise, with residents questioning whether it reflects prudent fiscal management or sensitivity to the current economic climate.
3. Conducting an internal budget review demonstrates responsible financial stewardship and a commitment to transparency, accountability, and continuous improvement.

4. A structured review of discretionary spending may uncover opportunities to reduce costs, redirect funds to priority areas, or delay non-essential projects.
5. Exploring options to diversify or expand the City's revenue base (e.g. through grants, commercial opportunities, partnerships, or asset optimisation) can reduce reliance on rate increases in future budgets.
6. The review aligns with the City's broader objectives of financial sustainability, community engagement, and responsive governance.
7. By bringing a report to the December 2025 Strategy Session, Council has sufficient time to consider findings before adopting the 2026–27 Budget

### **Officer Comments**

City Officers support the preparation of an Internal Budget Review to be presented to December 2025 Council Strategy Session.

## **11.2. Performance and Improvement Plan - Planning and Approvals**

### **MOTION**

<b>Voting Requirements: Simple Majority</b>
---

That Council REQUEST the Chief Executive Officer:

1. Develop a performance improvement plan to address the results of the MARKYT Scorecard in relation to the Planning and Approvals feedback.
2. Present the draft plan to council for consideration and adoption at the August Ordinary Council Meeting.

Moved: **Cr Dylan O'Connor**

Seconded:

Vote:

### **Rationale**

1. The results of the MARKYT Scorecard demonstrated a clear gap between performance in relation to Planning and Approvals and community expectations.
2. An improvement plan would map out a pathway to improving service delivery to the community of the City of Kalamunda.

### **Officer Comments**

Officers recommend a 'pulse check' report be presented to Council at Ordinary Council Meeting August, providing a review of the performance of both planning and building responsibilities of the City. The pulse check would measure the last three years of available data for:

1. Statutory Planning processing times
2. Building and Demolition Permit processing times
3. Benchmarking using WALGA performance monitoring data

The pulse check would analyse any noteworthy observations in the performance data when compared to the Scorecard and provide recommended actions for improved performance in aspects of the pulse check which are verified to be low-performing.

**11.3. Policy Review - Governance 1: Elected Member Communication and Contact with Staff.**

**MOTION**

<b>Voting Requirements: Simple Majority</b>
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That Council REQUEST the Chief Executive Officer:

1. Review the Council Policy, *Governance 1: Elected Member Communication and Contact with Staff*.
2. Present a revised draft policy to Council at the August Ordinary Council Meeting 2025 for council consideration for adoption.

**Rationale**

1. The Governance 1: Elected Member Communication and Contact with Staff policy is overdue for review.
2. With a significant number of new staff at the City, it is an ideal time to review and update the policy to meet the contemporary communication needs of Council and City of Kalamunda staff.

**Officer Comments**

Regulations relating to a communications agreement to be made between the council of a local government and the Chief Executive Officer (CEO) are currently out for consultation. Indications are that this agreement will be required to be made between Council's and CEO's following the 2025 Local Government Ordinary Election.

The intention of this agreement will be to set out minimum expectations for formal communications between council members and employees of the local government.

The City's existing Governance 1: Elected Member Communication and Contact with Staff Policy is very similar to the proposed communications agreement. Once the legislation is in effect relating to this agreement, the policy can be repealed. To undertake a review now is possible, but not an effective use of resources with such a short amount of time until a formal Communications Agreement will be in place and the policy no longer required.

**12. Questions by Members Without Notice**

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

13.1 Item 10.2.1 Main Roads WA Black Spot Submission 2026-2027 - Cr O'Connor (taken on notice PABF 10 June 2025)

Q1: Did the letter we issued receive a response?

A1: No, not at this time. Since the time of the Public Agenda Briefing, a response was received from the Minister for Transport's office on 10 June advising that the Lewis Road/Welshpool Road East intersection upgrade would not be considered in the forthcoming Tonkin Highway Corridor project and suggested that the City progress design, project development activities and regulatory approvals to seek State Government funding contribution through the Black Spot Program. This is attached to this memorandum for reference.

13.2 Item 10.2.1 Main Roads WA Black Spot Submission 2026-2027 - Cr Ritchie (taken on notice PABF 10 June 2025)

Q2: Could the City request additional funding for MRWA, please consider in June OCM.

A2: This has now been included in section 18 and 28 in the report. The City will advocate for further assistance with the service relocation costs, if successful with Black Spot funding.

13.3 Local Planning Scheme – Cr Modolo

Q1: I've heard from several landowners on semi-rural properties in Maida Vale who are interested in subdivision opportunities. Can this be considered through the pending review of the local planning scheme?

Q2: How can landowners or residents have their say about subdivision potential or other planning matters?

Q3: When exactly does the City anticipate that consultation with landowners will commence on the local planning scheme?

Q4: What should landowners keep in mind when making a submission about subdivision during the consultation process?

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

**15. Meeting Closed to the Public**

**16. Tabled Documents**

DACAG Meeting Notes 12 May 2025

Public Agenda Briefing Forum - Notes - 10 June 2025

**17. Closure**