



TOWN OF

Bassendean

AGENDA

Ordinary Meeting of Council

Tuesday 25 June 2024 at 6:00 pm

Notice is hereby given to Elected members of the Ordinary Council Meeting

to be held in the Council Chamber

Administration Building

48 Old Perth Road, Bassendean

A handwritten signature in black ink that reads "Paul White". The signature is written in a cursive style.

Paul White

ACTING CHIEF EXECUTIVE OFFICER

20 JUNE 2024

Meeting Information

Recording and Live-streaming

All participation in the meeting, except for confidential business, will be audio recorded and live-streamed on the Town's website. The live stream will be archived and made available on the Town's website after the meeting.

Conduct at meetings

The Town is committed to ensuring our Council Meetings are a safe work environment, free of risks to the health and wellbeing of Elected Members, Officers and our community. Any person attending is required to be respectful, courteous and have due regard for individual rights and differences. Individuals may be asked to leave should their conduct adversely affect the health and safety of others.

By attending this meeting, you agree to abide by these conditions.

For any questions regarding the Ordinary Council meeting or any item presented in the agenda, please contact the Town of Bassendean at:
mail@bassendean.wa.gov.au.

Tune in to live streaming from the comfort of your own home by going to:
Town of Bassendean Council - YouTube

or if you miss it live, go to:
<https://www.youtube.com/channel/UC46mMs3D7vmHuO0ePibihhg>



Council Seating Plan



Minute Secretary
Ana Fernandez



Manager Governance and Strategy
Joanne Burges



Chief Executive Officer
Cameron Woods



Mayor
Cr Kathryn Hamilton
E: crhamilton@bassendean.wa.gov.au

Director of Corporate Services
Paul White



Director Infrastructure and Sustainability
Shane Asmus



Director Community and Place
Michelle Brennan



Executive Manager Sustainability and Environment
Nicole Davey



Cr Jennie Carter
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Cr Emily Wilding
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Cr Jamayne Burke
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Cr Ken John
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Deputy Mayor
Cr Paul Poliwka
E: crpoliwka@bassendean.wa.gov.au

Council Role

Each Report presented will identify what Council's Role is in the item

Advocacy	When the Council advocates on its own behalf or on behalf of its community to another level of government/body/agency.
Executive	The substantial direction setting and oversight role of the Council. e.g. adopting plans and reports, accepting tenders, setting and amending budgets.
Legislative	Includes adopting local laws, local planning schemes and policies.
Review	When the Council operates as a review authority on decisions made by Officers for appeal purposes.
Quasi-Judicial	When the Council determines an application/matter that directly affects a person's rights and interests. The judicial character arises from the obligation to abide by the principles of natural justice. Examples of Quasi-Judicial authority include development applications, building permits, applications for other permits/licences (eg under Health Act, Dog Act or Local Laws) and other decisions that may be subject to review by the State Administrative Tribunal.
Information	For the Council/Committee to note.

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1 Declaration Of Opening; Acknowledgment of Country; Acknowledgment of Visitors; Disclaimer

Acknowledgement of Traditional Owners

The Town of Bassendean acknowledges the past and present traditional owners of the land on which we gather to conduct this meeting, and pays its respects to their Elders, both past and present.

2 Announcements by The Presiding Person Without Discussion

3 Attendances, Apologies and Applications for Leave of Absence

Councillors

Cr Kathryn Hamilton, Mayor
Cr Paul Poliwka, Deputy Mayor
Cr Emily Wilding
Cr Jamayne Burke
Cr Ken John
Cr Jennie Carter
Cr Tallan Ames

Officers

Mr Paul White, Acting CEO
Ms Waruni De Silva, Acting Director Corporate Services
Ms Michelle Brennand, Director Community Planning
Mr Shane Asmus, Director Infrastructure & Sustainability
Ms Nicole Davey, Exec Manager Sustainability & Environment
Ms Joanne Burges, Manager Governance & Strategy
Ms Ana Fernandez, Minute Secretary

Public

4 Declarations of Interest

5 Presentations or Deputations

6 Statements by Members of the Public

Kelly O'Brien, Bassendean

I want to raise concerns about the proposed Town of Bassendean end-of-year closure which is on the agenda for a future council meeting. I understand that the end-of-year closure is an existing practice, but I don't believe this practice reflects the current service expectations of the community.

I'm basing this feedback on the many comments I see on community Facebook pages over the shutdown period each year. Residents clearly assume that the council will be open for routine matters during this time and residents consistently have issues that can't be resolved. I personally find it very strange that a service that supports over 15,000 residents, and that residents pay for, can justify shutting down for 7 business days.

I appreciate that the Town of Bassendean wants to offer a family-friendly work environment but my experience sourcing employees to work over the Christmas/New Period is that there are usually a few employees who are happy to volunteer to work during this time and take their leave at another time. Particularly employees who may not have accrued sufficient leave.

I would like to propose that councillors support a shutdown period for the Town of Bassendean, except for a skeleton staff to operate the Customer Service Centre on normal business days which continues to provide basic/everyday services including:

- Answering questions about kerbside waste collection services and liaising with the waste contractor. I note that the council usually offers additional kerbside services at this time of year which is great but does raise additional questions and issues.
- Allocating tip passes
- Providing FOGO bags
- Answering questions and/or directing people regarding issues handled by the ranger

I imagine that there are other everyday issues that I haven't considered that should also be included in this list.

As a compromise, I can see that it may be reasonable to close the Customer Service Centre on Friday 27 December. But I can't see any reason to be closed on 23, 24, 30 and 31 December or 2 and 3 January.

Response:

The Report is guided by the Festive Season Office (Administration) Closure Policy.

The Policy states:

'As a family-friendly Council, the Administration Office will be closed during the Festive Season (Christmas to New Year). The Chief Executive Officer is required to advise staff of the dates of the office closure by 1 July that year and ensure that the Town is able to respond to emergencies or urgent issues.'

Additional information:

- *It is common for many Local Government to close between Christmas and New Year and public sector workers are provided with two additional public sector holidays at this time.*
- *The Towns leave liability is large and this policy is just one small measure in assisting with reducing leave balances.*
- *A skeleton crew, including access to Rangers is available to the community during the closure.*
- *No adverse issues have occurred in recent years.*

Response to specific comments:

- *“Answering questions about kerbside waste collection services and liaising with the waste contractor. I note that the council usually offers additional kerbside services at this time of year which is great, but does raise additional questions and issues”*
 - *Response: Calls regarding waste services are directed straight to Veolia.*
- *“Allocating tip passes”.*
 - *Response: Tip passes will be included on the Rates Notice, so there will be no tip passes to “allocate”.*
- *“Providing FOGO bags”*
 - *Response: Two FOGO bag vouchers will be included on the Rates Notice and can be collected beforehand.*
- *Answering questions and/or directing people regarding issues handled by the ranger.*
 - *Response: Ranger services continue to be provided.*

7 Questions from Members of the Public

15 minutes will be allocated for questions by members of the public any question that relates to the district.

Each member of the public with a question is entitled to ask up to two questions before other members of the public will be invited to ask their questions.

Questions can be submitted prior to the Council meeting to:
www.bassendean.wa.gov.au/forms/public-question-time/36

If a person asking a question is not present at the meeting, then the Mayor can choose to deal with it at the meeting or arrange a response by email.

8 Petitions

Nil

9 Confirmation of Minutes

9.1 Confirmation of Minutes	
Attachments	<ol style="list-style-type: none"> 1. Ordinary Council Meeting Tuesday 28 May 2024 Unconfirmed Minutes [9.1.1 - 25 pages] 2. Special Council Meeting Minutes 11 June 2024 [9.1.2 - 5 pages] 3. CONFIDENTIAL - Special Council Confidential Report Unconfirmed Minutes 110624 [9.1.3 - 4 pages] 4. Special Council Meeting Unconfirmed Minutes 18 June 2024 [9.1.4 - 4 pages] 5. CONFIDENTIAL - Unconfirmed Special Council Meeting Confidential Report Minutes 18 June 2024 [9.1.5 - 5 pages]

Officer Recommendation – Item 9.1

That the following minutes be received and confirmed as a true and correct record:

- Ordinary Council Meeting held on 28 May 2024;
- Special Council Meeting held 11 June 2024; and
- Special Council Meeting held 18 June 2024

Voting requirements: Simple Majority

10 Business Deferred from Previous Meeting

Nil

11 External Committee Reports and Updates

Nil

12 Officer Reports

Adoption of Recommendations En Bloc

The following information is provided to Councillors for guidance on the use of en bloc voting as is permissible under the Town's Council Meeting Procedures Local Law 2020.

Council Meeting Procedures Local Law 2020, Clause 5.4 states:

- (1) In this clause adoption by en bloc voting means a resolution of the Council that has the effect of adopting, for a number of specifically identified reports, the officer recommendation as the Council resolution.
- (2) Subject to subclause (3), Council may pass an adoption by en bloc voting.
- (3) An adoption by en bloc voting may not be used for a matter –
 - (a) that requires a 75% majority or a special majority;
 - (b) in which an interest has been disclosed;
 - (c) that has been the subject of a petition or deputation;
 - (d) that is a matter on which a member wishes to make a statement; or

that is a matter on which a member wishes to move a motion that is different to the Officer recommendation.

Councillors should be aware that should they wish to declare an interest in any of the items listed in the en bloc voting table, and have not done so under Item 4.0, Declarations of Interest, they should do so at this point of the agenda.

Item	Report	Vote
12.1	Adoption of Recommendations En Bloc	
12.2	End of Year Closure	Simple Majority
12.3	Bassendean Local Emergency Management Committee Meeting - 12 June 2024	Simple Majority
12.4	Draft Amended Local Planning Policy No. 13 - Tree Retention and Provision	Simple Majority
12.5	Audit and Governance Committee Meeting - 12 June 2024	Absolute Majority
12.6	RFT 03/2024 Bassendean Town Centre Precinct Structure Plan	Simple Majority
12.7	Accounts Paid - May 2024	Simple Majority
12.8	Monthly Financial Report - May 2024	Simple Majority
12.9	Adoption of the 2024/25 Annual Budget	Absolute Majority
12.10	CEO Performance Review 2023-24	Absolute Majority
13	Motions of which Previous Notice has been given	
16	Confidential Business	

Officer Recommendation Item 12.1

That Council adopts en bloc the following Officer recommendations contained in the Ordinary Council Agenda:

Item	Report
12.2	End of Year Closure
12.3	Bassendean Local Emergency Management Committee Meeting – 12 June 2024
12.4	Draft Amended Local Planning Policy No. 13 – Tree Retention and Provision
12.6	RFT 03/2024 Bassendean Town Centre Precinct Structure Plan
12.7	Accounts Paid – May 2024
12.8	Monthly Financial Report – May 2024

Council is now requested to consider the balance of the Officer recommendations independently.

12.5	Audit and Governance Committee Meeting – 12 June 2024
12.9	Adoption of the 2024/25 Annual Budget
12.10	CEO Performance Review 2023-24

12.2 End of Year Closure	
Property Address	N/A
Landowner/Applicant	N/A
File Reference	CORM/POLCY/1
Directorate	Office of the CEO
Responsible Officer	Chief Executive Officer
Previous Reports	
Authority/Discretion	Executive The substantial direction setting and oversight role of the Council.
Attachments	Nil

Purpose

The purpose of this report is for Council to consider the Festive Season Closure for 2024/25

Background

The current Festive Season Office (Administration) Closure Policy (the Policy) states that 'As a family-friendly Council, the Administration Office will be closed during the Festive Season (Christmas to New Year). The Chief Executive Officer is required to advise staff of the dates of the office closure by 1 July that year and ensure that the Town is able to respond to emergencies or urgent issues.'

Each year the closure period varies depending on when the public holidays (Christmas Day, Boxing Day and New Year's Day) fall within the festive season.

The proposed festive season closure for 2024/25 includes seven ordinary working days and three public holidays. The following dates fall outside the scope of the Policy: - Monday 23 December 2024 to Tuesday 24 December 2024 and Thursday 2 January 2025 to Friday 3 January 2025.

Generally, there is little or no customer interaction during this period. Emergency contacts are available during the Festive Season period, as well as Ranger Services and a skeleton staff roster in some services.

Proposal

It is proposed the closure occurs for the Festive Season period as outlined below:

Monday 23 December 2024	Closed
Tuesday 24 December 2024	Closed
Wednesday 25 December 2024	Closed (Christmas Day Public Holiday)
Thursday 26 December 2024	Closed (Boxing Day Public Holiday)
Friday 27 December 2024	Closed
Monday 30 December 2024	Closed
Tuesday 31 December 2024	Closed
Wednesday 1 January 2025	Closed (New Years Day Public Holiday)
Thursday 2 January 2025	Closed
Friday 3 January 2025	Closed

The closure includes the Customer Services Centre, Administration Building, Library, Wind in the Willows Early Childhood Education (Bassendean and Ashfield) and Depot as per the proposed Festive Season period outlined below;

Customer Services Centre, Administration Building and Depot – last day Friday 20 December 2024, reopening on Monday 6 January 2025;

Wind in the Willows – last day (for children) Friday 20 December 2024, reopening Monday 6 January 2025 (first day for children);

Library – closing at 1:00pm on Saturday 21 December 2024, reopening on Monday 6 January 2025.

Communication and Engagement

Communication will be provided to all employees advising of the Festive Season closure period. In the lead up to the Festive Season, the Town will communicate the closure period and service opening times on the Website, via social media, community newspaper and flyers displayed throughout service areas.

Strategic Implications

Performance Area 5: Performance

10.1 Effectively inform and engage the community about local services and events, and Council matters.

Comment

An extended closure period provides an opportunity for employees to use Annual Leave or other appropriate entitlements. This reduces the Leave Liability to the Town and payment of higher duties along with supporting a family friendly work environment for employees to enjoy the festive season.

The State Awards provide for an annual close-down, where an employer may require an employee to take annual leave as part of a close-down of its operations by giving at least 4 weeks' notice.

As part of the Town's Enterprise Agreements, employees are entitled to two additional days (in excess of their annual leave entitlements) to be taken as part of the Festive Season closure period.

Employees who commence employment at the Town after 1 July are entitled to one additional day in their first year of employment and two days thereafter. The Town's Enterprise Agreements also provide employees with the opportunity to purchase up to two weeks of additional leave per year.

This proposed festive season closure period (23 December 2024 to 3 January 2025 (inclusive)) means full-time employees would use seven days of accrued leave entitlements (which can be a mixture of annual leave, purchased leave, RDOs (Rostered Day Off), ADOs (Accrued Day Off) or time off in lieu accruals) in addition to the three paid public holiday days and two additional days, as outlined above.

Normal operations will resume on Monday 6 January 2025.

By providing employees with approximately six months' notice of the proposed festive season closure, it allows staff time to consider and make sufficient leave arrangements for the period.

Employees may negotiate and discuss options with their line manager if they do not wish to use or do not have sufficient leave entitlements for the period. Options may include the opportunity to purchase leave or if their work area is working on a skeleton roster the ability to work over the period.

Statutory Requirements

The Festive Season Office (Administration) Closure Council Policy provides the Administration Office will be closed during the Festive Season (Christmas to New Year). Town of Bassendean employees are covered by either the 'Town of Bassendean Enterprise Agreement 2020' or 'Town of Bassendean Asset Services Agreement 2020'. As per the agreement provisions, employees have an entitlement of two additional days off (conditions apply) to be taken as part of the Festive Season closure period between Christmas and New Year.

Financial Considerations

This closure period will reduce the employee leave liability for the Town and decrease Higher Duties payments usually paid in the first week of January to back fill leave requirements.

Risk Management Implications

No Risks Identified

Declaration of Conflicts of Interest

All officers involved in the preparation of this report have considered and determined that they do not have a conflict of interest in the matter.

Officer Recommendation – Item 12.2

That Council,

In addition to and in alignment with the Festive Season Office (Administration) Closure Council Policy:

1. Approves the closing of the Customer Services Centre, Administration Building, Library, Wind in the Willows Early Childhood Education (Bassendean and Ashfield) and Depot as per the proposed Festive Season period outlined below;

Customer Services Centre, Administration Building and Depot – last day Friday 20 December 2024, reopening on Monday 6 January 2025;

Wind in the Willows – last day (for children) Friday 20 December 2024, reopening Monday 6 January 2025 (first day for children);

Library – closing at 1:00pm on Saturday 21 December 2024, reopening on Monday 6 January 2025.

2. Requests the Chief Executive Officer provides emergency contact details to the public for the Festive period; and
3. Requests the Chief Executive Officer to provide a skeleton staff during the agreed Festive Season closure period.

Voting requirements: Simple Majority

12.3 Bassendean Local Emergency Management Committee Meeting - 12 June 2024	
Property Address	N/A
Landowner/Applicant	N/A
File Reference	GOVN/CCLMEET/12
Directorate	Office of the CEO
Responsible Officer	Director Community and Place
Previous Reports	
Authority/Discretion	Information For the Council/Committee to note.
Attachments	1. BLEMC Minutes 120624 [12.3.1 - 6 pages]

Purpose

The purpose of this report is for Council to receive the minutes of the Bassendean Local Emergency Management Committee (BLEMC) Meeting held on 12 June 2024.

Strategic Implications

Performance Area 1: People

2.1 Create a safe town for everyone.

Comment

The Committee discussed the following items at the meeting:

- Update to the Local Emergency Management Arrangements
- Agency Member Reports (Round Table)

Statutory Requirements

Under sections 38 - 40 of the *Emergency Management Act 2005*, local governments are required to establish and carry out the functions of a Local Emergency Management Committee, which includes coordinating the development and submission of documents in accordance with legislative and policy requirements including an Annual Report, Annual Business Plan and maintenance of Local Emergency Management Arrangements.

Financial Considerations

Nil.

Risk Management Implications

No Risks Identified

Declaration of Conflicts of Interest

All officers involved in the preparation of this report have considered and determined that they do not have a conflict of interest in the matter.

Officer Recommendation – Item 12.3

That Council

- Receives the minutes of the Bassendean Local Emergency Management Committee meeting of 12 June 2024, and
- Authorises the update to the Town’s LEMA to reflect that the Local Recovery Coordinator role will be performed by the Town’s Director Community and Place.

Voting requirements: Simple Majority

12.4 Draft Amended Local Planning Policy No. 13 - Tree Retention and Provision	
File Reference	LUAP/POLCY/5
Directorate	Community and Place
Responsible Officer	{use-custom-field-responsible-officer-do-not-remove}
Previous Reports	23 June 2020 27 February 2024 26 March 2024
Authority/Discretion	Legislative Includes adopting local laws, local planning schemes & policies.
Attachments	<ol style="list-style-type: none"> 1. Existing Local Planning Policy 13_-_ Tree Retention and Provision [12.4.1 - 4 pages] 2. Draft Amended Local Planning Policy No. 13 - Tree Retention and Provision [12.4.2 - 8 pages] 3. Draft Amended Local Planning Policy No.13 - Tree Retention and Provision - Tracked Changes [12.4.3 - 9 pages]

Report Summary

- The purpose of this report is for Council to consider a draft amended Local Planning Policy No. 13 – Tree Retention and Provision (LPP 13) for the purposes of advertising.
- The draft policy, if adopted, would identify 'tree damaging activities' as 'works' or 'development' that requires approval in some circumstances.
- Provisions of the draft policy also seek to vary deemed-to-comply requirements of Residential Design Codes – Volume 1, relating to tree provision for new developments, and will require the Western Australian Planning Commission (WAPC) support.
- The proposed amendments broadly align with the Western Australia Local Government Association (WALGA) model Tree Retention Policy.
- It is recommended that Council resolve to support the draft Local Planning Policy for the purposes of advertising for a period of 30 days.

Purpose

The purpose of this report is for Council to consider a draft amended Local Planning Policy No. 13 – Tree Retention and Provision (LPP 13) for the purposes of advertising.

Background

In June 2020, the Council resolved to adopt LPP 13, which applies to all applications for development approval involving Single Houses and Grouped Dwellings, where the estimated cost of development is \$100,000 or more.

On 27 February 2024, Council resolved to support an amended draft LPP 13 for the purposes of advertising, with the draft policy having the effect (if ultimately adopted) of requiring a development approval to remove mature trees on private property in certain circumstances.

On 28 February 2024, the Department of Planning, Lands and Heritage provided clarification on requested modifications made by the Minister on the then draft LPS11, specifically that one of the modifications would exempt all tree removal from the requirement to obtain a development approval, unless the tree is included on a Significant Tree Register. The information provided by the Department effectively rendered the draft amended LPP 13 ineffective for the purposes of protecting trees on private property.

On 26 March 2024, acknowledging the above, Council resolved to revoke the motion to advertise the draft policy.

In March 2024, the Western Australian Local Government Association (WALGA) released a model Tree Retention Policy, that has the effect (if adopted as a local planning policy by a local government) of requiring development approval to remove mature trees in certain circumstances.

On 9 April 2024, the Town received confirmation from the Department of Planning, Lands and Heritage that the Minister for Planning had given the final sign off for LPS 11, subject to a further change. The change, resulted in the deletion of the previous minor modification, and removal of the provision that exempted all tree removal from the requirement to obtain development approval, unless the tree is included on the Significant Tree Register. As a result of this Council can now seek to pursue an amended local planning policy that has the effect of requiring development approval for the removal of mature trees on private property.

On 10 April 2024 the Residential Design Codes Volume 1 (R-Codes Volume 1), were amended to introduce Part B, which typically applies to 'lower density' development; and Part C to 'medium density' development.

In response to the Gazettal of LPS 11 and amendments to R-Codes Volume 1, it is appropriate for Council to review LPP 13.

This matter was presented to Council via a workshop on the 17 May 2024.

Proposal

The proposed amendments to the Policy are as follows:

- Administrative changes to reference LPS 11 rather than Local Planning Scheme No. 10.
- Identifies 'tree damaging activities' as 'works' or 'development' that requires approval under LPS 11.
- Identifies a 'regulated tree' as a tree protected from tree damaging activities.
- Identifies when a 'tree damaging activity' is exempt from the requirement to obtain development approval.
- Updates policy objectives in line with WALGA model provisions.
- Updates definitions in line with WALGA model provisions and the R-Codes.
- Stipulates application requirements in line with WALGA model provisions.
- Removal of provisions relating to Tree Preservation Orders, in recognition these orders are not provided for under LPS 11.
- Inclusion of policy provisions applicable to assessment of applications for removal of regulated trees.
- Amends existing provisions relating to tree provision including:
 - Reduction in the minimum pot size of new trees in recognition of difficulties sourcing larger pots sizes and limited species generally available.
 - Revise policy provisions prescribing conditions of planning approval, noting such provisions are inconsistent with WALGA model provisions.
 - Removal of minimum depth of 'on structure' deep soil areas to allow for on structure planters to be considered on a case-by-case basis.
- Update provisions relating to subdivision to reflect WALGA model provisions.

Strategic Implications

Performance Area 2: Planet

3.2 Increase the tree canopy cover to 30% by 2040.

Comment

WALGA Tree Retention Model Local Planning Policy

The WALGA Tree Retention model policy aims to achieve a similar outcome to the draft amended local planning policy that Council supported for the purposes of advertising in February, albeit with slightly different language. Instead of re-adopting

the February policy, staff have amended it to align with the WALGA model. This adoption will ensure consistency with other local governments.

Tree Provision

The draft policy seeks to carry forward previous provisions within LPP 13 and augment the deemed-to-comply requirements of the R-Codes, by requiring residential development be provided with 1 medium tree per 350m² of site area. The provision seeks to:

- For Part B (low density), specifying a tree size, a tree planting ratio based on lot area and a larger deep soil area.
- For Part C (medium density), specifying a minimum size tree (i.e. medium sized tree) a larger deep soil area, and increased planting provision.

The Town's assessment is these changes to the deemed-to-comply provisions of the R-codes will result in an increased canopy cover per dwelling/per lot area. It is noted that the R-Codes do not permit the local government to modify tree planting requirements of Part B (low density) or Part C (medium density) via an LPP without the approval of the WAPC.

The Town is required to demonstrate to the WAPC that any variation to the deemed-to-comply provision:

- Is warranted due to a specific need related to that particular locality or region;
- Is consistent with the objectives and design principles of the R-Codes Volume 1; and
- Can be properly implemented and audited by the decision-maker as part of the ongoing building approval process.

Should Council proceed to advertise the draft policy, the Town will write to the WAPC seeking formal support for the draft policy.

Enforcement

The ability for the Town to enforce LPP provisions is a relevant consideration in whether to adopt an LPP. Whilst this report recommends Council support the amended draft policy for the purposes of advertising, should Council ultimately adopt the draft policy following advertising, the provisions that detail tree removal is considered development, and would therefore become an offence under the *Planning and Development Act 2005* to remove a tree without approval having first been obtained would be difficult to enforce.

Once a tree is removed from the site, it may be difficult for the Town to prove (for the purposes of a prosecution) that the former tree met one or more of the relevant criteria of a 'regulated tree', and therefore required development approval prior to

removal. Whilst the Town could, to some degree, rely on aerial and street photography, there is no guarantee that a prosecution action would ultimately be successful.

However, pursuing the local planning policy is worth the effort as it sets a clear standard for tree protection and reinforces the Town's commitment to environmental sustainability and increasing its tree canopy coverage.

Communication

The effect of adopting the Policy is such that tree damaging activity to a regulated tree without prior development approval being obtained is an offence under the *Planning and Development Act 2005*.

The statutory advertising requirements specify a minimum of 21 days, given the implications, the Town considers that more detailed information is required to explain the implications of the draft Policy. Detailed FAQs will therefore be prepared in support of the draft Policy, and if adopted by Council, a consultation period of no less than 30 days is recommended by the Town.

Statutory Requirements

Schedule 2 (Deemed Provisions) of the *Planning and Development (Local Planning Schemes) Regulations 2015* requires the local government to advertise the amendment to the policy for a minimum of 21 days.

Financial Considerations

The cost of advertising the draft amended policy can be met from the Town's current operating budget.

Should Council pursue the draft amended policy, and ultimately adopt the policy post advertising, the Town would encourage Council to waive the development application fee for consideration of a tree damaging activity to a regulated tree. This is to encourage people to do the right thing and apply to the Town prior to undertaking the works.

Risk Management Implications

There is potential reputational risk in that the approach may not be supported by the community and/or State Government, although it must be acknowledged that at this stage, Council is only considering the draft Policy for the purposes of advertising, and the results of the consultation process will be subsequently considered by Council in the future.

Declaration of Conflicts of Interest

All officers involved in the preparation of this report have considered and determined that they do not have a conflict of interest in the matter.

Officer Recommendation – Item 12.4

That Council pursuant to Clause 5(1) and 4(1) of Schedule 2 (Deemed Provisions) of the *Planning and Development (Local Planning Schemes) Regulations 2015*, adopts draft amended Local Planning Policy No. 13 – Tree Retention and Provision for the purposes of advertising, and advertises the Policy for a period of not less than 30 days.

Voting requirements: Simple Majority

12.5 Audit and Governance Committee Meeting - 12 June 2024	
Property Address	N/A
Landowner/Applicant	N/A
File Reference	GOVN/CCLMEET/18
Directorate	Office of the CEO
Responsible Officer	Director Corporate Services
Previous Reports	
Authority/Discretion	Executive The substantial direction setting and oversight role of the Council.
Attachments	<ol style="list-style-type: none"> 1. Audit and Governance Committee Minutes 120624 [12.5.1 - 7 pages] 2. Updated Town of Bassendean Audit Planning Memorandum 30 June 2024 [12.5.2 - 21 pages] 3. Audit Committee Charter - Final Draft 310524 [12.5.3 - 9 pages] 4. Draft Amended Record Keeping Policy - Tracked changes [12.5.4 - 4 pages] 5. Draft Amended Record Keeping Policy - Clean [12.5.5 - 4 pages] 6. Purchasing Policy - Marked up [12.5.6 - 10 pages] 7. Draft Amended Purchasing Policy - June 2024 [12.5.7 - 8 pages] 8. Purchasing Policy - LG Comparison - Purchase thresholds [12.5.8 - 2 pages] 9. CONFIDENTIAL - June 2024 Audit Findings Log [12.5.9 - 7 pages]

Purpose

The purpose of this report is for Council to consider the report and recommendations from the meeting of the Audit and Governance Committee held on 12 June 2024.

Background

The Town's Audit and Governance Committee meets at least four times each year in carrying out its functions under the Instrument of Appointment and Delegation (the Instrument). The Instrument specifies the authority, objectives and responsibilities of the Committee and governs its membership and meeting requirements.

Communication and Engagement

To ensure openness, accountability and integrity, Council has appointed a community representative as a member of the Audit and Governance Committee and engages an independent advisor.

Strategic Implications

Performance Area 5: Performance

9.1 Continuously improve operational performance and service delivery.

Comment

The Committee considered the following items:

Audit Planning Memorandum 2023/24

The purpose of this report was to provide the Audit Planning Memorandum (APM) for the audit of the Town's Financial Report for 2023/24 to the Committee.

The primary purpose of the APM is to brief the Town on the proposed approach by RSM Australia Pty Ltd (RSM), on behalf of the Office of the Auditor General (OAG), to audit the financial report of the Town for the year ending 30 June 2024.

The Final Audit Exit Meeting with the Committee is expected to be held on 9 December 2024 and will cover the presentation and discussion of the audit closing report, which will outline any significant audit related matters concerning the financial report, management letters and improvement suggestions for future audits.

Audit and Governance Committee Charter

The purpose of this report was for Committee to consider replacing the existing Audit and Governance Committee Instrument of Appointment and Delegation with a contemporary Audit and Governance Committee Charter.

Record Keeping Policy Review

The purpose of this report was for the Committee to consider a revised draft Record Keeping Policy for the Town.

Purchasing Policy Review

The purpose of this report was for the Committee to review the Town's Purchasing Policy.

Audit Findings Log

The purpose of this report was to provide the Committee with the Town's Audit Findings Log, with updated actions since the meeting of the Committee on 6 March 2024.

Statutory Requirements

Section 7.1A of the *Local Government Act 1995* requires a local government to establish an audit committee consisting of three or more persons to exercise the powers and discharge the duties conferred on it. The local government appoints the members of the audit committee and at least three of the members, and the majority of the members, are to be council members. Regulation 16 of the *Local Government (Audit) Regulations 1996* specifies the functions of the audit committee.

Financial Considerations

Implementation of some audit recommendations may require additional funds and will be the subject of separate budget submissions as and when required. The Town's Purchasing Policy and Procurement Guidelines will govern any required engagements.

Risk Management Implications

Financial Risk

High

The Audit and Governance Committee considered risks captured in the Town's Audit Findings Log. If improvement opportunities relating to the identified risks are not progressed, the risks may not be adequately mitigated.

Declaration of Conflicts of Interest

All officers involved in the preparation of this report have considered and determined that they do not have a conflict of interest in the matter.

Officer Recommendation – Item 12.5

That Council:

1. Receives the Minutes of the Audit and Governance Committee of 12 June 2024.
2. Receives the RSM Audit Planning Memorandum for the audit of the Town's Financial Report for 2023/24, attached to this report.
3. Adopts the Audit and Governance Committee Charter for the Town of Bassendean, attached to this report.
4. Adopts the Record Keeping Policy, attached to this report.
5. Adopts the Purchasing Policy, attached to this report.
6. Receives the Audit Findings Log, attached to this report, and notes the action taken or proposed to address the recommendations.

Voting requirements: 1, 2, and 6: Simple Majority; 3, 4 and 5: Absolute Majority

12.6 RFT 03/2024 Bassendean Town Centre Precinct Structure Plan	
File Reference	LUAP/TENDNG/9
Directorate	Corporate Services
Responsible Officer	Director Corporate Services
Previous Reports	Nil
Authority/Discretion	Executive The substantial direction setting and oversight role of the Council.
Attachments	1. CONFIDENTIAL - RFT 03 2024 EVALUATION REPORT - FINAL (Confidential) [12.6.1 - 13 pages]

Purpose

The purpose of this report is to present to Council a summary of tenders received for RFT 03/2024 Bassendean Town Centre Precinct Structure Plan for the Town of Bassendean and recommend appointment of the consultant considered to provide the best value for money to the Town.

Background

The Town has a requirement to engage a consultant to provide a Bassendean Town Centre Precinct Structure Plan. The Town does not have the internal resources to supply the required services, and as such requires an appropriate external service provider.

The requirement to have a Bassendean Town Centre Precinct Structure Plan is in line with the agreed outcomes in the Council Plan 2023-33.

Proposal

To appoint a consultant to provide a Bassendean Town Centre Precinct Structure Plan for the Town of Bassendean.

Communication and Engagement

The Request was advertised in The West Australian Newspaper and on the Town's website on Saturday 9th March 2024 and closed on Wednesday 10th April 2024.

Strategic Implications

Performance Area 3: Place

5.1 Responsible planning and development, with population growth concentrated around the town centre, train stations, and transport corridors.

5.1.1

Prepare a Precinct Structure Plan to coordinate the redevelopment of Bassendean Town Centre.

Comment

Submissions were received from the following four (4) Tenderers:

- GHD Pty Ltd
- Hames Sharley (WA) Pty Ltd t/as Hames Sharley
- Niche Planning Studio Pty Ltd ATF The Niche Planning Studio Unit Trust
- Toddville Prospecting Pty Ltd ATF The Taylor & Burrell Unit Trust t/as Taylor Burrell Barnett.

The Evaluation Panel for this tender comprised four (4) members with the appropriate technical expertise and experience. The panel carried out the assessment of submissions in a fair and equitable manner.

All four (4) Tenderers met the compliance requirements of the Tender and were evaluated against the qualitative criteria and weightings shown in the following table. The predetermined qualitative threshold was set at 70% for this tender.

QUALITATIVE CRITERIA	WEIGHTING
Capacity	30%
Demonstrated Experience	40%
Demonstrated Understanding of the Requirements	30%

Following the qualitative assessment, the panel carried out a comparison of the submitted lump sum prices offered by each tenderer qualified for price assessment, to assess value for money to the Town.

Pricing is regarded as commercial in confidence and is included in the attached confidential Tender Evaluation Report.

Statutory Requirements

A public tender was advertised, opened, and evaluated in accordance with clauses 11(1) and 18(4) of Part 4 of the *Local Government (Functions and General) Regulations 1996*, where tenders are required to be publicly invited if the consideration under a contract is, or is estimated to be, more, or worth more, than \$250,000.

Financial Considerations

The costs associated with this contract will be included in the Town's 2024/25 Annual Budget and Long-Term Financial Plan.

Risk Management Implications

No Risks Identified

Financial Risk
Low

Declaration of Conflicts of Interest

All officers involved in the preparation of this report have considered and determined that they do not have a conflict of interest in the matter.

Officer Recommendation – Item 12.6

That Council appoints the recommended tenderer as per the attached confidential tender Evaluation Report to provide a Bassendean Town Centre Precinct Structure Plan for the Town of Bassendean as specified in Tender 03/2024, for two (2) years, to commence upon Council Approval and Letter of Award.

Voting requirements: Simple Majority

12.7 Accounts Paid - May 2024	
Property Address	N/A
Landowner/Applicant	N/A
File Reference	FINM/CREDTS/4
Directorate	Corporate Services
Responsible Officer	Director Corporate Services
Previous Reports	N/A
Authority/Discretion	Executive The substantial direction setting and oversight role of the Council.
Attachments	1. List of Payments for May 2024 [12.7.1 - 20 pages]

Purpose

The purpose of this report is for Council to receive the list of accounts paid for May 2024.

Background

Regulation 13 of the *Local Government (Financial Management) Regulations 1996*, requires a list of accounts paid by the CEO each month to be presented to Council at the next ordinary meeting of Council after the list is prepared.

Proposal

For Council to receive the list of accounts paid for May 2024.

Communication and Engagement

Nil.

Strategic Implications

Performance Area 5: Performance

9.1 Continuously improve operational performance and service delivery.

Comment

Payments made during May 2024 are presented to Council, showing the date, payee, amount and description in respect of each payment for goods and services received.

Statutory Requirements

Regulation 13 of the *Local Government (Financial Management) Regulations 1996* provides:

13. Payments from municipal fund or trust fund by CEO, CEO's duties as to etc.

(1) *If the local government has delegated to the CEO the exercise of its power to make payments from the municipal fund or the trust fund, a list of accounts paid by the CEO is to be prepared each month showing for each account paid since the last such list was prepared —*

- (a) *the payee's name; and*
- (b) *the amount of the payment; and*
- (c) *the date of the payment; and*
- (d) *sufficient information to identify the transaction.*

Financial Considerations

All payments are authorised prior to disbursement in accordance with the Town's Purchasing Policy, Procurement Guidelines and allocated budgets.

Risk Management Implications

Financial Risk
Low

The Town has adequate controls in place to mitigate external and internal risks in accounts payable.

As an extra measure, the Town uses EftSure to independently check bank account details of suppliers paid by the Town.

Declaration of Conflicts of Interest

All officers involved in the preparation of this report have considered and determined that they do not have a conflict of interest in the matter.

Officer Recommendation – Item 12.7

That Council receives the list of accounts paid for May 2024.

Voting requirements: Simple Majority

12.8 Monthly Financial Report - May 2024	
Property Address	N/A
Landowner/Applicant	N/A
File Reference	FINM/AUD/1
Directorate	Corporate Services
Previous Reports	N/A
Authority/Discretion	Executive The substantial direction setting and oversight role of the Council.
Attachments	1. Monthly Financial Statements May 2024 [12.8.1 - 11 pages]

Purpose

The purpose of this report is for the Council to receive the Monthly Financial Report for May 2024 which incorporates the Statement of Financial Activity.

Background

The Local Government (Financial Management) Regulations 1996, Regulation 34, requires that a Statement of Financial Activity be prepared each month and presented to Council.

The Statement of Financial Activity is to show a comparison of the budget estimates with the actual revenue and expenditure figures for the year-to-date. The Statement of Financial Activity and accompanying documents must be presented to Council within two months after the end of the month to which the statement relates.

The variance report compares actual income and expenditure to the annual budget, as updated by the mid-year review, which was adopted by Council on 27 February 2024.

Each year Council is required to adopt a percentage or value to be used for reporting material variances. Council adopted \$15,000 or 10% whichever is higher, as part of its 2023/24 Annual Budget.

Proposal

For the Council to receive the Monthly Financial Report for May 2024.

Communication and Engagement

Nil.

Strategic Implications

Performance Area 5: Performance

9.1 Continuously improve operational performance and service delivery.

Comment

The Monthly Financial Report contains the Statement of Financial Activity, which represents the adopted 2023/24 Mid-Term Budget Review Results and any subsequent amended estimates and actual income and expenditure amounts to the month.

Statement of Financial Activity (by nature or type)

The Statement of Financial Activity provides a comparison between actual and budget income and expenditure on a year-to-date basis. The accompanying notes provide a detailed breakdown of the amounts and commentary is based on the April 2024 year-to-date figures.

Item	Current Budget	YTD Budget	YTD Actual	Variance to YTD Budget	Variance to YTD Budget
	\$m	\$m	\$m	\$m	%
Revenue (including General Rates)	24.2	23.4	24.0	0.5	2
Expenditure	28.4	24.6	24.6	0.03	0
Capital Works	5.7	5.2	2.0	(3.2)	(62)
Non-Operating Grants, Subsidies and Contributions	2.3	0.8	0.7	0.05	(7)

Operating Revenue

Revenue year-to-date is higher than budget, primarily due to higher interest revenue (\$306k), and insurance recoveries.

Operating Expenditure

Expenditure year-to-date is in line with the budget, with minor variances in employee costs and materials and contract categories. The variances are mainly due to the timing of expenditure.

All other reporting lines are within budget.

Non-Operating Grants

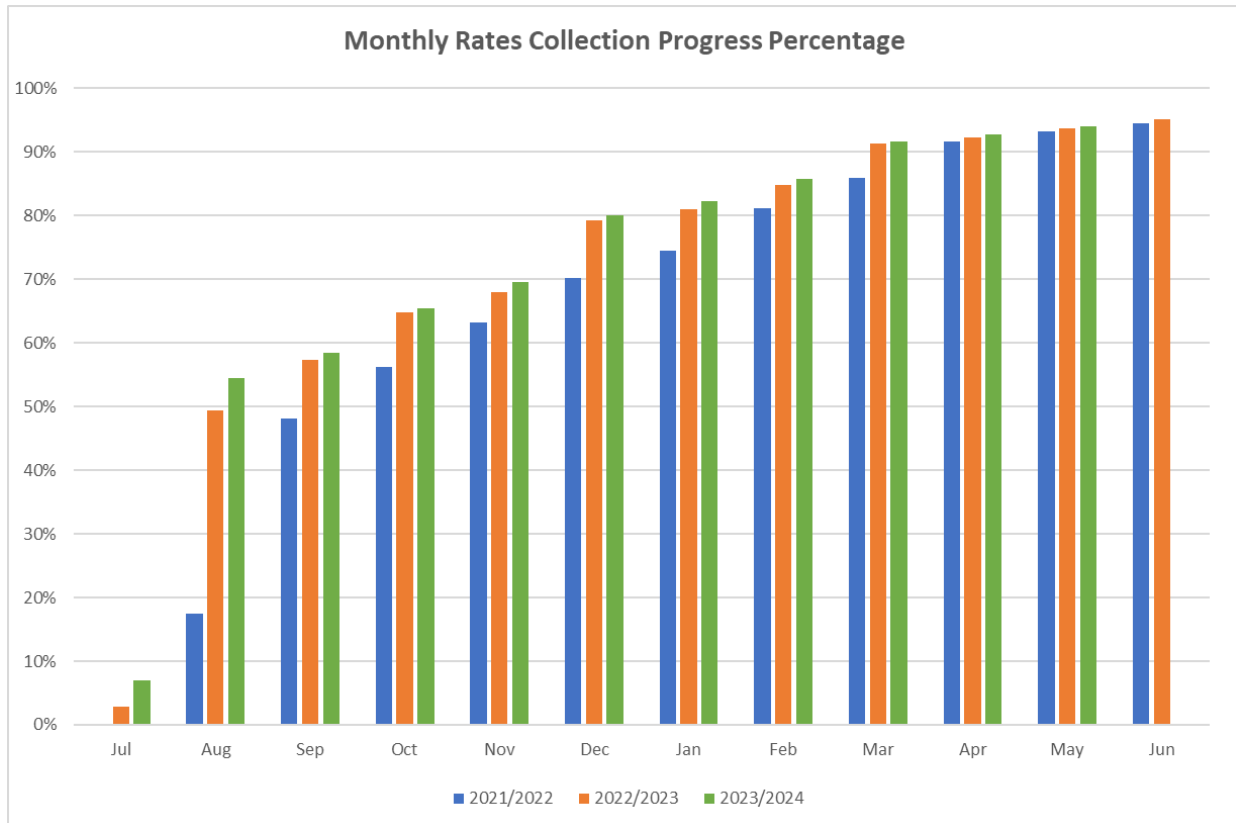
Non-operating grants are under budget by \$55k, due to timing for road grants.

Capital Works

Expenditure year-to-date totals \$2m, which equates to 35% of the current budget with a further \$0.5m (9%) committed with purchase orders having been raised.

Rates Collection Report

The chart below shows collection at 94% as of May 2024.



Monthly Investment Report

The overall balance of the Town’s investments is \$17.2m. This is comprised of municipal investments of \$8.3m (including restricted cash) and reserve investments of \$8.9m.

The administration uses *Marketforces.org.au* to assist in assessing whether financial institutions invest funds in fossil fuel related industries. The Town currently has 62% of its funds invested in non-fossil fuel ADIs.

Statutory Requirements

Local Government (Financial Management) Regulations 1996.

Financial Considerations

The Monthly Financial Report provides an overview of income and expenditure for the appropriate period.

Budget Amendments

The following budget amendments are proposed for the Monthly Financial Report for May 2024:

GL Account Code	Description	Current Budget \$	Amended Budget \$	Budget Movement \$
AP2410	Retaining Wall, 122, Hamilton Street, Bassendean	-	80,000	80,000
069951	Land and Building Infrastructure Reserve	2,439,062	2,359,062	80,000

The Funds are required to meet the the conditions of subdivision approval imposed by the Western Australian Planning Commission at 122, Hamilton Street Bassendean. Council authorised the project budget at the Special Council Meeting on 21 May 2024.

Risk Management Implications

No Risks Identified.

Declaration of Conflicts of Interest

All officers involved in the preparation of this report have considered and determined that they do not have a conflict of interest in the matter.

Officer Recommendation – Item 12.8

That Council:

1. Notes the Explanation of Material Variances in the Statement of Financial Activity.
2. Receives the Monthly Financial Report for the period ending 31 May 2024, which incorporates the Statement of Financial Activity for the period to May 2024.
3. Notes the budget amendments shown in the Financial Considerations section of this report, to allocate \$80,000 from the Land and Building Infrastructure Reserve to the Retaining Wall for 122, Hamilton Street, Bassendean Budget.

Voting requirements: Simple Majority

12.9 Adoption of the 2024/25 Annual Budget	
Property Address	N/A
Landowner/Applicant	N/A
File Reference	FINM/BUGTG/1
Directorate	Corporate Services
Responsible Officer	Director Corporate Services
Previous Reports	
Authority/Discretion	Executive The substantial direction setting and oversight role of the Council.
Attachments	<ol style="list-style-type: none"> 1. 2024-25 Town of Bassendean Statutory Budget [12.9.1 - 30 pages] 2. 2024-25 Proposed Fees and Charges [12.9.2 - 25 pages] 3. 2024-25 Operational Projects Listing [12.9.3 - 2 pages] 4. CONFIDENTIAL - 2024-25 Operational Projects - Summary [12.9.4 - 3 pages] 5. 2024-25 Capital Projects Listing [12.9.5 - 3 pages] 6. CONFIDENTIAL - 2024-25 Capital Projects - Summary [12.9.6 - 13 pages]

Purpose

The purpose of this report is to present the proposed 2024/25 Annual Budget for the Town of Bassendean, with supporting schedules, projects, and fees and charges, to Council for adoption.

The proposed 2024/25 Annual Budget is presented in its statutory form for Council adoption in accordance with the *Local Government Act 1995* (Act), the *Local Government (Financial Management) Regulations 1996* (Regulations) and Australian Accounting Standards (Standards).

The proposed 2024/25 statutory budget is at **Attachment 1**.

Background

The proposed Annual Budget for 2024/25 was developed considering the Town's overall financial position, asset maintenance requirements resulting from ageing infrastructure across the district, continued supply chain challenges and inflationary pressure pushing up the cost of materials and contracts.

In April 2023, Council adopted a Strategic Budget Policy, recognising that the Town must plan for the current and future needs of its community in a socially, culturally,

environmentally, and financially sustainable manner. The Policy established clear principles and guidelines for Council and the administration for responsible stewardship of the Town's assets, and parameters for the development of the Town's Long-Term Financial Plan, Annual Budgets and the setting of Fees and Charges. Recognising the challenges posed by the Town's ageing infrastructure, the Policy provides for gradual improvement of the Town's asset reserves, and rates setting based on the Perth annualised CPI plus a minimum of two per cent.

The proposed budget meets the parameters of the Town's Strategic Budget Policy. The proposed budget is fiscally responsible, with the long-term financial sustainability of the Town paramount, while striving to balance the current and future needs of the community by funding current and future projects and continuing to provide quality services across the range of the Town's business activities.

The proposed budget is informed by the Town's 10-year Council Plan, supported by the Long-Term Financial Plan, with a range of initiatives (operational and capital projects) designed to deliver on the community's aspirations as set out in the five Performance Areas of the Council Plan: People, Planet, Place, Prosperity and

Proposal

That Council adopts the proposed 2024/25 Annual Budget.

Communication and Engagement

The budget process commenced in December 2023, with the Finance Team and Business Unit Managers:

- Reviewing workforce plans
- Reviewing budgeted expenditure/year-to-date expenditure
- Forecasting 2023/24 operational requirements
- Preparing plans for operational and capital projects and prioritising activities
- Reviewing fees and charges
- Developing rating models to levy differential rates.

Five budget-related workshops were held with Councillors:

Date	Themes
5 December 2023	Long-Term Financial Plan – Workshop 1
12 March 2024	Long–Term Financial Plan – Workshop 2
9 April 2024	Waste modelling, rating strategy and modelling, Councilor and Community project requests, fees and charges, and operational projects, draft consolidated position
14 May 2024	Operational and capital projects, operating expenditure including employee costs, fees and charges, and Reserves
11 June 2024	General update, draft updated consolidated position

Project spreadsheets and other budget-related documentation were circulated to Councillors before and after workshops, via CEO Bulletins.

Strategic Implications

Performance Area 5: Performance

9.1 Continuously improve operational performance and service delivery.

COMMENT

The proposed 2024/25 Annual Budget includes:

- Statutory Financial Statements, incorporating:
 - o Statement of Comprehensive Income
 - o Statement of Cash Flows
 - o Statement of Financial Activity
 - o Notes to and forming part of the Budget
- Fees and Charges
- Capital Projects
- Operational Projects.

Estimated Closing Surplus – 2023/24

The 2023/24 Annual Budget estimated a closing surplus of \$0 however, the 2023/24 forecast closing surplus is now expected to be \$1,068,817. The reasons for the forecast closing surplus being considerably higher than the expected surplus at the start of the financial year are set out below.

Revenue from Operating Activities

Revenue from operating activities is forecast to be lower than budgeted, by \$299,824. This was mainly due to lower Grants, Subsidies and Contributions by \$363,119, due to the timing of the first payment of the Financial Assistance Grant for 2024/25. Fees and Charges income is lower by \$129,230, due to lower than budgeted revenue from

early childhood education fees and hall hire, offset by higher Interest Income of \$74,015, due to higher interest rates.

Expenditure from Operating Activities

Expenditure from operating activities is forecast to be \$1,781,844 lower than budgeted expenditure, which is attributable to the following:

- Employee Costs are forecasted to be lower than the original budget by \$316,424. The variance is mainly due to vacant positions and the aggregate result of minor variances in several business units.
- Materials and contracts expenditure is expected to be \$1,245,618 lower than budgeted, due to the deferral of some Operational Projects into 2024/25, lower Sanitation costs and lower infrastructure maintenance costs.

Investing Activities

The amount attributable to investing activities is forecast to be \$1,560,004 less than budgeted due to carryover of capital projects originally included in the 2023/24 budget, including:

- Spillway Design and Construction, Success Hill
- Purchase of Water Truck
- Ireland Way Drainage Works
- Lighting for Bassendean oval.

Financing Activities

The amount attributable to financing activities is forecast to be \$1,994,022 less than budgeted, due to higher transfers to restricted cash reserves:

- Land and Buildings Infrastructure reserve \$591,905
- Jubilee Reserve reserve \$507,584
- Unexpended Capital Works reserve \$172,650.

Estimated Closing Surplus – 2024/25

The estimated closing surplus for 2024/25 is \$22,074.

STATEMENT OF FINANCIAL ACTIVITY

The following are comments on the major changes to income and expenditure items presented in the Statement of Financial Activity.

Rates

At the Special Council Meeting on 21 May 2024, Council resolved to approve the differential rates and minimum payment for 2024/25 for advertising by public notice, as follows:

Rating Category	Rate in Dollar in Cents	Minimum Payment (\$)
Improved – Residential	8.1758	1,183
Improved – Commercial and Industrial (GRV)	9.4021	1,183
Vacant Land – Residential, Commercial and Industrial (GRV)	12.2636	1,183

The Objects and Reasons are included in the proposed statutory budget in note 2(c) **Attachment 1**.

The proposed differential rates were calculated using the following parameters:

- An increase in the rate in the dollar from 2023/24 of 5.63%
- A premium of 15% for Improved Commercial and Industrial land
- A premium of 50% for all vacant land.

The advertised minimum payment was \$1,183, being the same as for 2023/24.

Expected rates revenue for 2024/25 is \$16,305,035 from 7,416 rateable properties (an increase of \$835,695 from 2023/24 budgeted rates revenue), including \$57,089 budgeted for interim rates from new properties and changes to existing properties.

In 2024/25, it is expected that 447 (6%) properties will be liable for the minimum payment. In 2023/24, the Town budgeted for 1,116 (15%) properties being subject to the minimum payment. This continues the downward trend in the proportion of land liable for the minimum payment, resulting from a freeze in the amount of the minimum payment for the last four years, prior to 2023/24.

The proposed differential rates were advertised by public notice on 23 May 2024, by placing a notice on the Town's website, PerthNow newspaper and Facebook page, and displaying on notice boards at the Town's Customer Service Centre and Bassendean Memorial Public Library.

Written submissions were required by 14 June 2024. One submission was received, as summarised in the following table, with officer responses.

Question	Officer response
<i>Are short-stay accommodation properties classified as commercial for the purposes of these differential rates? If the answer to 1 is no, why not?</i>	The Town considered options for rating short-term rental accommodation during the budget process.
<i>When a property is used as short stay accommodation, does the Town of Bassendean advise landgate to obtain a revised gross rental value given the property now produces anywhere between two to four times the amount of rent? If the answer 3 is no, why not?</i>	However, given the mandatory registration requirement for all short-term rental accommodation providers by 1 January 2025 under the <i>Short-Term Rental Accommodation Act 2024</i> , it was considered appropriate to await that registration process and reconsider the matter during development of next year's budget.
<i>At a minimum, short stay accommodation should be treated as a commercial activity which is focused on profiteering by privileged landowners. I further submit that the Council should levy differential rates on Short Stay Accommodation just as the Brisbane City Council, City of Perth (Hotels category) and Shire of Augusta Margaret River (Tourism Category). This rate should be levied at twice the value of the residential rate, the maximum permitted without Ministerial approval. This should be accompanied by a double minimum rate.</i>	
<i>I separately submit that the Minimum rates being equal across all three categories is foolish. The minimum rate should be higher for those categories that are subject to a higher differential rate to reflect this difference. E.g. if the vacant land differential rate is 1.5x the rate of an ordinary residential property, the minimum rate should reflect this and be 1.5x the minimum rate of a residential property. Vacant landowners are people so privileged to be able to own land and not have to live upon it, if they don't like the rates, they should sell up and lower prices for first home buyers and renters</i>	Section 6.35 of the <i>Act</i> specifies that the minimum payment is not to be imposed on more than half of the properties in each differential rating category, without the approval of the Minister. The proposed minimum rate applies to 49% of properties in the vacant land category; consequently, the minimum rate cannot be increased. The minimum rate for commercial and industrial property could be increased and remain compliant with the Act, however that was not proposed as part of the budget process.
<i>I am supportive of the rates increase and the differential rates proposed in the attached notice; I would even be supportive of the vacant land rate being higher than the 50% proposed to encourage development.</i>	Noted.

The remainder of this budget paper was necessarily prepared on the assumption that Council will adopt the advertised differential rates for the purpose of the 2024/25 Proposed Annual Budget. Should Council resolve not to adopt the proposed differential rates, it will be necessary to review proposed reserve transfers and/or

proposed capital and operational projects to identify projects that can be de-scoped, removed and/or deferred to a later budget period for rates revenue to be sufficient to fund the expected budget deficiency.

Instalment Payments

In accordance with Section 6.45 of the Act, a local government is to offer instalment options for the payment of rates or service charges. Additional charges for the recovery of rates or service charges may be imposed (including an amount by way of interest) for payments made under an instalment option.

The Town plans to issue Rates Notices on 24 July 2024 and, on that basis, the following payment options are proposed:

Payment Option	Instalment No.	Due Date
Payment in full	1	28 August 2024
Two Instalments	1	28 August 2024
	2	8 January 2025
Four Instalments	1	28 August 2024
	2	29 October 2024
	3	8 January 2025
	4	14 March 2025

The Town has introduced rates smoothing called “*Smarter Way to Pay*”, for 2024/25, allowing ratepayers to spread payment of rates across smaller, more manageable payments. Rates smoothing is paid by direct debit, from a cheque or savings account, on a weekly, fortnightly or monthly basis, ensuring the total is paid by the end of the financial year. Ratepayers may choose to continue with the payments with the aim of being in credit ahead of the rates due date for the following year.

Council’s Financial Hardship Policy enables a rates debtor or sundry debtor experiencing genuine financial hardship to make an application for assistance relating to outstanding rates or service charges or sundry debts.

eRates

The Town continues to promote eRates, allowing property owners to register to receive rates notices, final notices and instalment reminder notices by email, by completing a simple form on the Town’s website. Implementation of eRates is environmentally friendly and cost-effective. So far, 18% of owners have signed up for eRates.

Instalment Administration Fee and Interest \$245,000

To offset the administrative costs of offering instalment options, Council may impose an administration fee and interest charge. The administration fee is intended to cover costs incurred and regulation 67 of the Regulations does not allow a profit to be made.

An Instalment Administration Fee of \$14 per instalment is proposed when an instalment payment option is used. The Instalment Administration Fee for the two-instalment payment option is therefore \$14, and for the four-instalment payment option is \$42.

Where payment of rates is not received in full or by one of the instalment options, the Town may enter into a special payment arrangement with a ratepayer and an administration fee of \$25 will apply.

Pursuant to section 6.45 of the Act, Council may adopt an interest rate for payment of rates by instalments up to a maximum rate of 5.5%. The maximum rate is set by regulation 68 of the Regulations. It is proposed to continue to apply the maximum rate for 2024/25.

Pursuant to section 6.51(1) and subject to section 6.51(4) of the Act and Regulation 70 of the Regulations, local governments may charge late payment interest up to a maximum of 11% for rates and service charges that remain unpaid after becoming due and payable. It is proposed to continue to apply the maximum rate for 2024/25.

The Town's Financial Hardship Policy provides that where a debtor is assessed as experiencing genuine financial hardship, the Town may waive administration fees and suspend interest charges while the debtor adheres to the terms and conditions of a payment agreement under that Policy.

Interest is not chargeable to eligible pensioners who have registered their entitlement in accordance with the *Rates and Charges (Rebates and Deferrals) Act 1992*.

Budgeted revenue from the Instalment Administration Fee for 2024/25 is \$65,000 and is included in the budget for Fees and Charges. Budgeted revenue from Interest Charges for 2024/25 is \$180,000 (including interest on deferred rates) and is included in the budget for Interest Earnings.

Discounts, Incentives, Concessions and Write-offs

Section 6.47 of the Act provides Council with the power to grant a rate concession.

Ratepayers registered for eRates by 28 August 2024 will go into a draw to win a \$500 credit against their 2024/25 rates.

Ratepayers who make full payment of their 2024/25 rates, service charges and waste services liability by the due date of the first instalment payment, and have no other outstanding debt due to the Town, will go into a draw to win a \$1,000 credit against their 2024/25 rates.

The Town's Rates Exemption Policy states that Council will accept written applications from not-for-profit community groups within the Town of Bassendean and may grant a concession or waiver for up to two years.

The Town received an application from Westcare for a rates concession of 50% for 2024/25 and 2025/26, on 24 April 2024. The application was made on the basis that:

“Westcare is a registered charity and they employ over 70 people with disabilities at our Hanwell Way premises. A concession would greatly assist in maintaining our ability to fulfill our mission of “empowering, enriching and enhancing” the lives of people with disabilities”

According to its website, Westcare Incorporated is an Australian Disability Enterprise (not-for-profit), providing quality employment and training for West Australians with disabilities since 1947. Westcare is registered as a charity with the Australian Charities and not-for-profits Commission.

Westcare opened its factory premises at 28 Hanwell Way, Bassendean in 1996, and uses those premises for what it calls Westcare Industries:

- Westcare Box – Provides a range of covered, stapled, and die cut boxes
- Westcare Foodpak – Offers solutions to businesses looking to outsource and streamline their packing requirements
- Westcare Safety – Manufactures and supplies high visibility garments.

In the absence of a concession, the estimated rates for Westcare's property at 28 Hanwell Way, Bassendean for 2024/25 are \$16,552.

Operating Grants and Subsidies

Revenue is expected to decrease from \$633,176 as budgeted for 2023/24, to \$482,003 in 2024/25, mainly due to the absence of grant income for Bassendean Youth Services. Other grants expected are for environmental projects (\$31,176) and assistance with running the Bassendean SES (\$45,108).

Fees and Charges

The 2024/25 Annual Budget includes proposed fees and charges for the provision of services to the community and use of the Town's facilities. Revenue is expected to increase from \$6,897,110 as forecast for 2023/24, to \$7,216,894 in 2024/25. The proposed 2024/25 Fees and Charges are set out in **Attachment 2**.

The main changes to fees and charges are as follows:

Early Childhood Education

Daily fee for the Town's Wind in the Willows Early Childhood Education Centres is proposed to increase from \$136 to \$142, an increase of 4.4% from 2023/24. The proposed increase is necessary to provide for increased employee costs and allow the Town to continue to provide quality activities and programs for children.

Community Development

A discount of 70% is proposed to be re-introduced for Seniors groups when hiring the Town's rooms and halls for meetings, functions and general use. A flexible charge for activities and events has been added, to allow the Town to charge a small fee for activities and events, consistent with the principles of the Relax Program. New fees are proposed to be introduced for seasonal use of the Stan Moses pavilion, to cover the cost to the Town of utility and cleaning charges. The lighting electricity charge for clubs hiring Town facilities using floodlights has been separated and proposed to increase to provide for a contribution toward renewal of infrastructure.

Hyde Retirement Village (HRV)

The maintenance fee is proposed to increase from \$245 to \$255 per fortnight for a single resident (4%), and from \$282 to \$293 per fortnight for a resident couple (3.9%), and the parking fee is proposed to increase from \$12 per fortnight to \$12.50 per fortnight (4.2%). The Town has consulted with HRV residents as required under the Residents Deed. Feedback received from residents has indicated an understanding of the need to increase maintenance and parking fees.

Waste Services

The Town imposes waste service charges to recoup the cost of waste collection and processing services and the purchase of bins. The budgeted revenue from the waste service charge for 2024/25 is \$3,410,935 (2023/24 revenue was \$3,323,003).

The Town continues to provide an extensive range of waste services for the community, including:

- Weekly collection for Food Organics Garden Organics (FOGO)
- Fortnightly collection for general waste (landfill) and recycling

- Two pre-booked skip bins: one general waste bin and one green waste bin; or two green waste bins
- Pre-booked collection for lounges, mattresses and fridges/freezers (up to three per year)
- Recycling drop off points, for e-waste, metal, cardboard, polystyrene, aerosol cans, engine oil and lead acid batteries
- Two tip vouchers, redeemable at Red Hill (no charge with voucher) and Baywaste (for a small fee)
- Two kitchen caddy liner roll vouchers (75 bags per roll), redeemable at the Customer Service Centre.

In 2024/25 tip vouchers and kitchen caddy liner vouchers will be issued as part of the Rates Notice. E-rates customers will be provided vouchers on request. The vouchers will expire on 31 August 2025. Lost or misplaced tip vouchers will not be replaced.

The proposed waste charges for 2024/25 are set out in the following table:

WASTE SERVICES	Fee 2024/25 GST Inclusive (If Applicable)
Residential - Standard 3-Bin Waste Service: 140L General Waste Bin	\$432.00
Residential - Upgraded 3-Bin Waste Service: 240L General Waste Bin	\$578.00
Non-Rateable - Standard 3-Bin Waste Service: 140L General Waste Bin	\$432.00
Non-Rateable - Upgraded 3-Bin Waste Service: 240L General Waste Bin	\$578.00
Multi Units - Shared 3-Bin Waste Service: 240L Bins	\$326.00
Commercial - 3-Bin Waste Service: 140L General Waste Bin	\$432.00
Commercial - 3-Bin Waste Service: 240L General Waste Bin	\$578.00
Commercial - Weekly General Waste Servicing (Charged per bin)	\$385.00
Additional Bin - 240L FOGO	\$154.00
Additional Bin - 240L Recycling	\$65.00
Additional Bin - 240L General Waste	\$256.00
Upgrade Bin - 240L Recycling to 360L Recycling (Once-off charge)	\$153.00
Skip bin contamination/overfilling – empty and disposal	Minimum \$150 or Cost recovery

Building Services

A new swimming pool inspection fee applicable to the initial inspection of pools and spas is proposed, in line with regulations and to cover costs.

Ranger Services

New application fees for the keeping of three dogs or two or more cats are proposed, along with new fees for the trapping of cats. New fees are proposed for parking permits applications and renewals.

Asset Services

A new Amenity Value for a street or reserve tree is proposed, as calculated by a qualified arborist, for the recovery of costs associated with the amenity value of the tree arising from unauthorised activity. A new Park Access Administration Fee is proposed, to assess requests to access parks and reserves, including pre and post inspections. New fees are proposed for traffic management applications and plans and for a temporary obstruction permit.

Interest Earnings

Revenue is expected to decrease from \$544,923 as budgeted for 2023/24, to \$508,135 in 2024/25, due to anticipated easing of the cash rate by the Reserve Bank of Australia (RBA). Early adoption of the budget will facilitate early levying of rates for improved cash flows to take advantage of the current high interest rates.

Other Revenue

Revenue is expected to increase from \$81,000 as budgeted for 2023/24, to \$230,493 in 2024/25, mainly due to the transfer of funds from developer contributions to fund the public artworks.

Employee Costs

Employee costs are expected to increase from \$12,862,060 as budgeted for 2023/24, to \$12,884,673 in 2024/25 representing an increase of only \$22,613 or 0.2%.

While an increase in dollar terms, this represents a reduction in employee costs in real terms, following a critical review of workforce requirements and completion of the initial phase of a comprehensive service level review. Without these changes, budgeted employee costs for 2024/25 would have totaled \$13,081,221 after accounting for increases in entitlements including salary increases and increases to compulsory superannuation contributions.

Materials and Contracts

Expenditure is expected to increase from \$7,604,673 as budgeted for 2023/24, to \$8,266,484 in 2024/25, an increase of 8%, reflecting continued upward pressure on the cost of materials and contracts.

Utility Charges

Expenditure is expected to increase from \$751,119 as budgeted for 2023/24, to \$778,845 in 2024/25, an increase of 3.6%, due to a increase in electricity tariffs.

Depreciation

Depreciation is a non-cash item and does not affect rates and charges. Depreciation is included in the statement of comprehensive income to reflect the reduction in value of assets for the ensuing 12 months.

Depreciation will increase slightly, from \$4,875,818 as budgeted for 2023/24, to \$4,885,152 in 2024/25.

Interest Expenses

Expenditure is expected to decrease from \$41,804 as budgeted for 2023/24, to \$31,557 in 2024/25, due to the reduction in principal debt outstanding as of 1 July 2024.

Insurance Expenses

Expenditure is expected to increase from \$296,171 as budgeted for 2023/24, to \$342,400 for 2024/25.

The Town's primary insurer LGIS has advised of continuing challenging market conditions, with all classes of insurance under significant pressure driven by increased risk and hardening re-insurance conditions.

Other Expenditure

Expenditure is expected to fall from \$1,938,353 as budgeted for 2023/24, to \$606,185 in 2024/25, mainly due to the final cash call payment to Western Power for the Eden Hill underground power project being made during 2023/24.

Councillor Meeting Fees and Allowances

Councillor Allowances are consistent with the 5 April 2024 Determination of the Salaries and Allowances Tribunal on Local Government Chief Executive Officers and Elected Members. The Tribunal has determined Elected Members' attendance fees, and annual allowance ranges be increased by 4%. These increases are incorporated into the proposed Budget.

Total expenditure is expected to fall slightly from \$227,612 as budgeted for 2023/24, to \$220,276 in 2024/25, mainly due to Councillors accepting a reduction in the Communications Allowance. Councillor meeting fees and allowances proposed for the 2024/25 Annual Budget are:

Description	Amount
Council meeting fees	\$133,691
Mayoral & Deputy Mayoral allowance	\$ 49,985
Conferences and training	\$ 15,000
IT and Communication allowance	\$ 19,600
Childcare expenses	\$2,000
	\$220,276

Councillor fees and allowances are included in the "Other Expenditure" category.

Capital Grants, subsidies and contributions

Revenue is expected to increase from \$2,305,824 as budgeted for 2023/24, to \$3,658,272 in 2024/25.

This is due to a carryover of projects to be finalised in 2024/25 which have significant grant income expected including new lighting at Bassendean Oval and Ashfield Reserve and increased grant funding expected for road projects.

OTHER BUDGET ITEMS

Operational Projects \$787,571

Operational projects proposed for 2024/25 are listed in **Attachment 3** and detailed in **Attachment 4 (Confidential)**. Operational projects include:

- Bassendean Oval Precinct Redevelopment Feasibility Study
- Disability Access and Inclusion Plan
- Lower Swan Locality Plan
- Precinct Structure Plan
- Public Open Space Strategy
- Solar and battery power storage review
- Stan Moses upgrades - concept design

- Tree Risk Assessments - parks and reserves.

Capital Works Program \$7,438,980

Capital projects proposed for 2024/25 are listed in **Attachment 5** and detailed in **Attachment 6 (Confidential)**. Capital projects include:

- Ashfield Flats Master Plan implementation
- Ashfield Parade drainage reinstatement
- Bassendean Oval lighting upgrade
- BIC Reserve Masterplan and upgrade
- Jubilee Reserve lighting
- Jubilee Reserve reticulation upgrade
- Low-Cost Urban Road Safety Program projects
- Point Reserve Foreshore Plan implementation - Year 1
- Replacement of fleet and plant items
- Success Hill Foreshore stabilisation (design)
- Various road pavement, seal and resurfacing projects.

Transfers to/from Reserves and Restricted Cash

Transfers to and from reserves proposed for the 2024/25 Annual Budget are shown in the statutory budget at note 9.

Transfers to reserves in the proposed 2024/25 Annual Budget total \$1,185,122 and transfers from reserves total \$1,665,403.

The following changes to the reserve names are proposed in the 2024/25 Budget.

Current Name	Proposed Name
Aged Person Reserve	Hyde Retirement Village Reserve
Street Tree Reserve	Urban Greening Reserve
Carry Forward Reserve	Unexpended Capital Works Reserve

Natural Area Reserve

It is proposed to update the purpose of the Natural Area Reserve from “*To provide for the future restoration of Natural Area Reserves at Point Reserve and Bindaring Park*” to “*To provide for the future restoration of natural areas including foreshore stabilisation*”. This will provide Council with greater flexibility to direct funds to priority areas.

Urban Greening Reserve

It is proposed to update the purpose of the Urban Greening Reserve (formerly Street Tree Reserve) from “*To accrue unspent funds from tree planting program for the purpose of planting and maintaining trees*” to “*To fund projects that improve urban canopy and greening to reduce the urban island heat effect*”. The aim is to broaden the scope of the Reserve.

Determination of material variance for reporting purposes

Each year, Council is required to adopt a percentage or value for the purpose of reporting material variances in the Monthly Financial Activity Statement. This value or percentage is then used throughout the financial year to identify potential areas in Council’s actual revenue and expenditure that may not be in keeping with the budget.

The early identification of these potential issues can assist in better utilisation and allocation of scarce Council resources.

The values chosen should provide a good indication of variances that would not normally be able to be covered through Council’s normal operations and should, therefore, be assessed to identify if a potential issue exists or not.

When adopting the 2023/24 Annual Budget, Council adopted a material variance threshold of \$15,000 or 10% of the appropriate base, whichever is higher, for the Financial Activity Statement.

The same thresholds are recommended for 2024/25.

Statutory Requirements

The *Local Government Act 1995*, section 6.2.

The *Local Government (Financial Management) Regulations 1996*, Part 3 and Regulation 34.

Section 6.2 of the Act requires that not later than 31 August in each financial year, or such extended time as the Minister allows, each local government is to prepare and adopt (by Absolute Majority) in the form and manner prescribed, a budget for its municipal fund for the financial year ending on the next following 30 June.

Divisions 5 and 6 of the Act refer to the setting of budgets and raising of rates and charges.

The Regulations detail the form and the content of the budget.

Council has several financial policies which have been taken into consideration in the budget process, including the Asset Management Policy, Strategic Budget Policy and Investment Policy.

Financial Considerations

Specific financial implications are as outlined in the Comments section of this report and as itemised in the 2024/25 Annual Budget, attached under separate cover for adoption.

Risk Management Implications

Financial Risk
Reputational Risk
High

The draft 2024/25 Annual Budget is a balanced budget prepared in consultation with Councillors within the parameters of the Town's Strategic Budget Policy.

The principal risk is adoption of the 2024/25 Annual Budget with material changes in revenue or expenses. Reduced overall funding or increased expenditure may result in a reduction in the quality of assets provided and services delivered. Material changes may result in a delay in finalising the statutory budget, which a consequential delay in levying rates which will impact interest revenue and project timing.

Declaration of Conflicts of Interest

All officers involved in the preparation of this report have considered and determined that they do not have a conflict of interest in the matter.

Officer Recommendation – Item 12.9

That Council:

1. 2024/25 Annual Budget

Adopts, pursuant to the provisions of section 6.2 of the *Local Government Act 1995* and part 3 of the *Local Government (Financial Management) Regulations 1996* the Budget for the Town of Bassendean for the 2024/25 financial year, as contained in **Attachment 1**, which includes the following:

- a) Statement of Comprehensive Income showing a net surplus for the year of \$1,110,959
- b) Statement of Cash Flows showing cash at the end of the year of \$13,581,296
- d) Statement of Financial Activity showing the amount required to be raised from rates of \$16,305,035
- e) Notes to and Forming Part of the Budget

- f) Transfers to Reserve Accounts totaling \$1,185,122 and from Reserve Accounts totaling \$1,665,403
- g) Operational Projects - \$787,571, as detailed in **Attachment 4 (Confidential)**; and
- h) Capital Expenditure and New Initiatives - \$7,438,980, inclusive of Carried Forward Projects of \$1,433,277, as detailed in **Attachment 6 (Confidential)**.

Voting requirement: Absolute majority

2. Rates, Instalment Payment Arrangements, Administration Fees and Interest

- a. For the purpose of yielding the deficiency disclosed by the 2024/25 Annual Budget, pursuant to sections 6.32, 6.34 and 6.35 of the *Local Government Act 1995*, imposes the differential rates and minimum payment for 2024/25 that were advertised by public notice on 21 May 2024, as follows:

Rating Category	Rate in Dollar in Cents	Minimum Payment (\$)
Improved – Residential	8.1758	1,183
Improved – Commercial and Industrial (GRV)	9.4021	1,183
Vacant Land – Residential, Commercial and Industrial (GRV)	12.2636	1,183

- b. Imposes the following service charge for properties in the Eden Hill NRUPP Underground Power Program:
 - i. NRUPP – Consumer Mains Connection, \$2,910
 - ii. NRUPP – Cut and Cap Connection, \$1,455.
- Determines that the amount of the service charge applicable for multi-unit developments within the NRUPP Underground Power Program for a ‘parent’ connection be shared equally among the property owners in the development according to the number of units owned.

- c. Pursuant to section 6.45 of the *Local Government Act 1995* and regulation 64(2) of the *Local Government (Financial Management) Regulations 1996*, nominates the following due dates for the payment of rates in full, and service charges by instalments:

Payment Option	Instalment No.	Due Date
Payment in full	1	28 August 2024
Two Instalments	1	28 August 2024
	2	8 January 2025
Four Instalments	1	28 August 2024
	2	29 October 2024
	3	8 January 2025
	4	14 March 2025

- d. Imposes, in accordance with section 6.45 of the *Local Government Act 1995* and Regulation 67 of the *Local Government (Financial Management) Regulations 1996*, an instalment administration charge where the owner has elected to pay rates (or service charges) through an instalment option, of \$14 for each instalment after the initial instalment is paid.
- e. Imposes, in accordance with section 6.45(3) of the *Local Government Act 1995* and Regulation 68 of the *Local Government (Financial Management) Regulations 1996*, an interest rate of 5.5% applicable to rate and service charge instalment arrangements.
- f. Imposes, in accordance with section 6.51(1) of the *Local Government Act 1995*, an interest rate of 11% applicable to overdue and unpaid rates and service charges.
- g. Waives 50% of the rates for 2024/25 payable by Westcare Incorporated in respect of its factory premises at 28 Hanwell Way Bassendean, in accordance with section 6.47 of the *Local Government Act 1995*.
- h. Grants a concession of \$500 against rates payable for 2024/25 in respect of a property selected at random, where the property owner has registered for eRates by 28 August 2024, pursuant to section 6.47 of the *Local Government Act 1995*.
- i. Grants a concession of \$1,000 against rates payable for 2024/25 in respect of a property selected at random, where the property owner has paid all amounts due and payable as shown on their 2024/25 Rates Notice by 28 August 2024.

Voting requirements: Absolute Majority

3. Fees and Charges

Pursuant to section 6.16 of the *Local Government Act 1995*, section 67 of the *Waste Avoidance and Resources Recovery Act 2007*, and regulation 53(2) of the *Building Regulations 2012*, adopts the Fees and Charges included in the 2024/25 Annual Budget (**Attachment 2**).

Voting requirement: Absolute majority

4. Councillors fees and allowances

- a) Pursuant to section 5.99 (a) of the *Local Government Act 1995* and regulation 30 of the *Local Government (Administration) Regulations 1996*, adopts the following annual fees for payment of Councillors in lieu of individual meeting attendance fees:
 - i) Mayor \$27,425
 - ii) Councillors \$17,711.
- b) Pursuant to section 5.99A of the *Local Government Act 1995* and regulation 31 of the *Local Government (Administration) Regulations 1996*, adopts the Information and Communication Technology allowance of \$2,800 for Councillors.
- c) Pursuant to section 5.98(5) of the *Local Government Act 1995* adopts the annual local government allowance of \$39,988 to be paid to the Mayor in addition to the annual meeting allowance; and
- d) Pursuant to section 5.98A (1) of the *Local Government Act 1995*, adopts the annual local government allowance of \$9,997 to be paid to the Deputy Mayor in addition to the annual meeting allowance.

Voting requirement: Absolute majority

5. Reserves – Change in Purpose, Change in use of funds

Pursuant to section 6.11 of the *Local Government Act 1995*:

- a. Change the purpose of Urban Greening Reserve (formally Street Tree Reserve):
“*To fund projects that improve urban canopy and greening to reduce the urban island heat effect*”.
- b. Change the purpose of Natural Area Reserve: “*To provide for the future restoration of natural areas including foreshore stabilisation*”.

Voting requirement: Absolute majority

6. Materiality

Adopts a material variance of \$15,000 or 10% of the appropriate base, whichever is the higher, for the 2024/25 Financial Activity Statement, for the purpose of reporting under regulation 34(5) of the *Local Government (Financial Management) Regulations 1996* and AASB 1031 Materiality.

Voting requirement: Simple majority

12.10 CEO Performance Review 2023-24	
Property Address	N/A
Landowner/Applicant	N/A
File Reference	GOVN/CCLMEET/22
Directorate	Office of the CEO
Responsible Officer	Mayor
Previous Reports	
Authority/Discretion	Executive The substantial direction setting and oversight role of the Council.
Attachments	<ol style="list-style-type: none"> 1. CONFIDENTIAL - Final Draft TOB CEO 360 PDR Process COMBINED Final [12.10.1 - 21 pages] 2. CONFIDENTIAL - Final Mills TRP Attachment 2 [12.10.2 - 2 pages]

Purpose

The purpose of this report is for Council to resolve the outcome and recommendations from the Annual CEO Performance Review Report (Report).

This is in line with Council's adopted 'Standards for CEO Recruitment, Performance and Termination' Policy and the *Local Government Act 1995*, s5.39A. Model standards for CEO recruitment, performance and termination.

Background

Division 3 – Standards for review of performance of CEOs of the *Local Government (Administration) Regulations 1996* sets out the standards to be observed by the local government in relation to the review of the performance of CEOs.

This includes:

- Performance review process to be agreed between local government and CEO (cl.16)
- Carrying out a performance review (cl.17)
- Endorsement of performance review by local government (cl.18), and
- CEO to be notified of results of performance review (cl.19)

To assist with meeting the requirements of the legislation, Council resolved (Special Council Meeting 6.2.2024) to appoint Peter Casey, Mills Recruitment, to facilitate the 2023-24 CEO Annual Performance Review process.

Additionally, the engagement of an external and independent facilitator strengthens Council's compliance with the Act and the Town's Policy.

Proposal

The confidential Facilitator's Report (attached) contains full details of the performance review and associated recommendations. In addition to presenting a high-level summary of these recommendations, the Officer's Report provides Council with information that may be considered in the remuneration review.

Communication and Engagement

The consultant's methodology included an assessment questionnaire provided to the Chief Executive Officer and all Councillors which sought an assessment and feedback for the Key Performance Areas (KPIs) and Qualitative KPIs.

The methodology also included a 360-degree survey from the five officers directly reporting to the CEO.

The Facilitator has consolidated feedback and developed a confidential Performance Review Report which marks the conclusion of the review process.

Strategic Implications

Performance Area 5: Performance

9.1 Continuously improve operational performance and service delivery.

Comment

The *Local Government Act 1995* - s5.38 Annual review of employees' performance requires that 'a local government must review the performance of the CEO if the CEO is employed for a term of more than 1 year', and 'a review must be conducted at least once in relation to each year of the person's employment.

Further, clause 18 of the *Local Government (Administration) Regulations 1996* requires that 'following a review of the performance of the CEO, the local government must, by resolution of an absolute majority of the council, endorse the review'.

Additionally, 'after the local government has endorsed a review of the performance of the CEO under clause 18, the local government must inform the CEO in writing of — (a) the results of the review; and (b) if the review identifies any issues about the performance of the CEO — how the local government proposes to address and manage those issues.'

A review of the CEO's performance has been undertaken, in addition to the attached confidential report the following is provided:

Performance Assessment

The Report notes that the CEO produced an average rating that aligned with the midpoint between “Meeting” and Exceeding against the adopted performance rating system in 2023/2024.

The performance review process included the following elements:

- A 360-degree leadership capabilities assessment and self-assessment with the CEO direct reports and elected members.
- An assessment against the eleven 2023/24 KPI`s
- A Development and Training assessment.

The recommended annual performance review assessment forms confidential attachment one of this report.

Professional development does not form part of the TRP, as determined by the Salaries and Wages Allowances Tribunal. Professional development requests are to be considered by the Council as presented and the annual budget includes an annual allowance to cover off, any approved professional development including conferences.

The CEO is a member of the Australasian Local Government Chief Officers Group. To remain a member of this group the requirement is to attend at least one in every three forums, of which there are four a year across Australasia. The July 2024 forum is in Kiama NSW (Wed – Friday 24th to 26th July) and the CEO is requesting consideration to attend this forum. The costs are limited to airfares and accommodation (max 3 nights) as there are no conference attendance fees. This report will seek Council consideration to attend the July 2024 LGCOG forum for 2024 at an estimated value of \$1300.

Remuneration Review

Council must review the CEO’s Total Reward Package (TRP) in accordance with Policy at Point 4 (and item 7.1 of the CEO’s contract). The Report provides comments against the criteria to be assessed when reviewing the CEO’s remuneration:

	Criteria	Comments
1	Performance and Assessment Criteria	CEO Overall Performance Rating for 2023/2024 with an average rating of 3.5 i.e. between “Meeting” and “Exceeding”
2	Any changes to the work values or responsibilities of the position	Delivery against the 2023/33 Council Plan, long-term financial plan schedule of major projects, and review of organisational service levels are considered greater than the original CEO KPI`s.
3	The hours worked, including hours in addition to normal working hours	Considered similar to previous review and as expected.
4	The condition of the market and economy generally	CPI - March quarter 2023 to March quarter 2024 is 3.5%

		April 2023 SAT decision increasing salary band by 3.5%, April 2024 SAT decision increasing salary band by 4%. TOB EBA increased on average 9% over the same period.
5	The experience of the CEO and the market conditions for LG CEO`s.	The CEO has 8 years' experience as a Tier 3 CEO and 32 years' experience in senior local government positions.

Comments in the Report against criteria 1 – 4 indicate that an increase in the TRP is justified. A guide to Council’s decision-making is the 5th of April 2024, Salaries and Allowances Tribunals (SAT) ‘Determination of The Salaries and Allowances Tribunal on Local Government Chief Executive Officers and Elected Members’. The Tribunal determined that CEO remuneration Bands be increased by 4%.

The SAT considered this appropriate given the economic conditions, the wider public service framework, and changes to role expectations in line with the ongoing changes to legislation.

Council may also consider the previous 2023 determination of 6th of April 2023 (for application on 1 July 2023) of 3.5% that was not considered or passed onto the CEO, as the contract was signed in January of 2023 and does not automatically apply, as per the contract terms.

The current CEO TRP was 99.3% of the Band when the contract was negotiated in January of 2023.

The TRP includes salary, superannuation, fringe benefits, motor vehicle allowance memberships, uniforms, and a range of other potential remuneration benefits. A Band 3 Local Government cannot exceed a TRP of \$288,817. Any increase to the TRP is at the discretion of Council. The recommended TRP in attachment two, if adopted will be back dated to the anniversary commencement date of April 4th 2024.

Key Performance Indicators (KPIs) for 2024/2025

The report recommends that:

The CEO’s KPIs are determined by the Council Plan which provides guidance to Council outcomes and the deliverables expected of the CEO. Additionally, the “Leadership and Strategic Management” KPI as defined in the CEO Contract should be included to ensure the operations are achieving the vision and expectations of the Council and the Town.

The KPIs below have been prepared by the facilitator in consultation with the CEO and Councillors for the period of 2024/25.

- **Service Level Planning and Organisational Development**

- 1.1 Report quarterly via the CEO Forum on the updated progress of the Service Level Review (SLR) process.
- 1.2 Complete the SLR process for the whole of the organisation to inform the 2025/26 Budget and Workforce Plan.
- 1.3 Provide a separate confidential report to Council in relation to the options for the ongoing management of Town operated Childcare Facilities.
- 1.4 Continue to increase organisational capacity (within budget) whilst prioritising the focus on key service areas.

- **Land Asset Strategy**

- 2.1 Continue to review, action and report annually against the council adopted LAS actions.

- **Asset Management and Forward Capital Works Planning**

- 3.1 Improve the organisational capacity in asset management planning and the forward planning of capital works programs to ensure a higher % delivery of capital works annually.

- **Project Management and Reporting**

- 4.1 Improve the project management and reporting of operating and capital projects and provide early notification to council of project risks.

- **Budget Development**

- 5.1 Continue to improve the annual budget process with a greater level of planned operational and capital expenditure.
- 5.2 Develop budget and reporting against the Service Level Plans to provide greater clarity to Council on salaries and wages, materials and contracts expenditure, discretionary expenditure, together with a general overview of BAU (Business as usual) expenditure and annual variations in BAU expenditure going forward.

- **Financial Sustainability**

- 6.1 Progress a review of boundary adjustments and develop proposals for discussion with Council.
- 6.2 Look at innovative strategies to enhance the Town's financial sustainability.
- 6.3 Identify and increase percentage of income (grants/partnerships etc.) derived from sources other than rates over the 2024/2025 financial period.

- **Environment and Sustainability**

- 7.1 Report annually to Council on the mortality rate of mature trees on public land.
- 7.2 Look for opportunities for planting additional trees on public land.
- 7.3 Continue to action and report on increasing the local tree canopy on public land, and opportunities to potentially increase tree canopy on private land.
- 7.4 Report annually to Council on the mortality rate of newly planted trees covering

each year from Year 1, Year 2 and Year 3.

8. Advocacy and Priority Project Progress and Developments

- 8.1 Provide regular updates on progress of advocacy priorities, Council Plan and budgeted projects.
- 8.2 Actively promote advocacy and priority projects for funding and partnership opportunities, ensuring timely funding submissions where applicable.
- 8.3 Ensure timely completion of ToB Priority Projects as the Council Plan/Annual Budget.

9. Community and Indigenous Engagement

- 9.1 Seek opportunities to enhance community engagement generally, and with the Towns First Nations residents to foster reconciliation. Deliverables;
 - A) Biannual reports on progress towards a revised Reconciliation Action Plan (RAP).
 - B) Identify opportunities and partnerships to enhance community connections wherever possible.

10. ICT Strategy

- 10.1 Review of ICT Strategy with biannual progress reporting.
- 10.2 Deliver a roadmap that transitions to an enabling service delivery model, to adopt technologies for mobile, automatic and efficient work practices.

Statutory Requirements

- (Council Policy) Standards for CEO Recruitment, Performance and Termination
- *Local Government Act 1995* - s5.38 and s5.39
- *Local Government (Administration) Regulations 1996* – Division 3

Financial Considerations

An increase in base salary has been factored into the Town's 2024/25 Annual Budget.

Risk Management Implications

Financial Risk
Low

Declaration of Conflicts of Interest

All officers involved in the preparation of this report have considered and determined that they do not have a conflict of interest in the matter.

Officer Recommendation – Item 12.10

That Council

1. Endorse the CEO's performance review assessment for the 2023/24 period as per confidential Attachment One.
2. Endorse the 2024/25 CEO KPIs as contained in this report.
3. Endorse the 2024/25 Total Reward Package as per confidential attachment two, back dated to April 4th 2024, which reflects payment of 100% of the Band as determined by the Salaries and Allowances Tribunal.
4. Endorse attendance of the CEO at the LGCOG Forum in Kiama NSW in July 2024 and authorise expenditure of up to \$1500 for the airfares and accommodation.

Voting requirements: Absolute Majority

13 Motions of which Previous Notice has been given

14 Announcements of Notices of Motion for the next meeting

15 Urgent Business

Nil

16 Confidential Business

Officer Recommendation

That the following matters be considered with members of the public excluded from the Chamber under Clause 5.23 (2) of the Local Government Act 1995, in the list below.

- 12.10 - CEO Performance Review 2023-24

17 Closure

The next Ordinary Council meeting will be held on Tuesday 30 July 2024, commencing at 6pm.