

Ordinary Council Meeting

10 April 2019

Minutes



Members of the public who attend Council meetings should not act immediately on anything they hear at the meetings, without first seeking clarification of Council's position. Persons are advised to wait for written advice from the Council prior to taking action on any matter that they may have before Council.

Agendas and Minutes are available on the City's website www.kwinana.wa.gov.au

Vision Statement

***Kwinana 2030
Rich in spirit, alive with opportunities,
surrounded by nature - it's all here!***

Mission

**Strengthen community spirit, lead
exciting growth, respect the environment
- create great places to live.**



We will do this by -

- providing strong leadership in the community;
- promoting an innovative and integrated approach;
- being accountable and transparent in our actions;
- being efficient and effective with our resources;
- using industry leading methods and technology wherever possible;
- making informed decisions, after considering all available information; and
- providing the best possible customer service.

Values

We will demonstrate and be defined by our core values, which are:

- Lead from where you stand - Leadership is within us all.
- Act with compassion - Show that you care.
- Make it fun - Seize the opportunity to have fun.
- Stand Strong, stand true - Have the courage to do what is right.
- Trust and be trusted - Value the message, value the messenger.
- Why not yes? - Ideas can grow with a yes.

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Present:

MAYOR CAROL ADAMS
CR M KEARNEY
CR S LEE
CR S MILLS
CR M ROWSE
CR D WOOD

MRS M COOKE	-	Acting Chief Executive Officer
MR A HARDING	-	Acting Director City Regulation
MS C MIHOVILOVICH	-	Director City Strategy
MR D ELKINS	-	Director City Infrastructure
MS M BELL	-	Director City Legal
MR P GRAVETT	-	Acting Director City Engagement
MS A MCKENZIE	-	Council Administration Officer

Members of the Press	1
Members of the Public	6

1 Declaration of Opening:

Presiding Member declared the meeting open at 7:00pm and welcomed Councillors, City Officers and gallery in attendance and read the Welcome.

“IT GIVES ME GREAT PLEASURE TO WELCOME YOU ALL HERE AND BEFORE COMMENCING THE PROCEEDINGS, I WOULD LIKE TO ACKNOWLEDGE THAT WE COME TOGETHER TONIGHT ON THE TRADITIONAL LAND OF THE NOONGAR PEOPLE”

2 Prayer:

Councillor Dennis Wood read the Prayer

“OH LORD WE PRAY FOR GUIDANCE IN OUR MEETING. PLEASE GRANT US WISDOM AND TOLERANCE IN DEBATE THAT WE MAY WORK TO THE BEST INTERESTS OF OUR PEOPLE AND TO THY WILL. AMEN”

3 Apologies/Leave(s) of Absence (previously approved)

Apologies

Deputy Mayor Peter Feasey

Leave(s) of Absence (previously approved):

Councillor Wendy Cooper from 9 April 2019 to 19 April 2019 inclusive.

4 Public Question Time:

4.1 David Crowe, Calista

Question 1

I would like a fact check on what was in the Courier today about the Waste to Energy Plant, it says facts on incinerator output, these are facts taken from the proponents own documents, I am not sure where a Waste to Energy Plant is a proven solution given this is the first of its kind in Australia after being knocked back in New South Wales. The process itself identifies that the air pollution of approximately 15,000 tonnes per annum would be discharged over the Kwinana residential area, 2.3 kilometres away, again reminding people that it is designed for a maximum of thirty years and equates to just under a million tonnes of chemicals.

Response

The Mayor took the question on notice.

Question 2

How do we make sure it does not happen?

Response

The Mayor advised that she believes that the article is referring to the East Rockingham proposal and explained that the City has been objecting to that facility. The Mayor explained that unfortunately, it has already gone through the planning process, it was approved by the City of Rockingham and it was approved by the Joint Development Assessment Panel.

Question 3

I am in the fall out of it, you are my representative, what are you going to do?

Response

The Mayor explained that the City has met with the Environmental Minister, Members of Parliament, both local members and the City of Rockingham when this matter was first proposed. The Mayor advised that the City of Kwinana objected to this facility due to its close location to residents and the fact that it should be in an appropriately zoned area and that the City shares Mr Crowe's concerns.

Question 4

Can I have a fact check, in the paper it said that Parmelia was the most polluted suburb in Western Australia?

Response

The Mayor took the question on notice.

4.2 Jenny Hartley, Parmelia

Question 1

The Voices of Kwinana that was listed on the City of Kwinana website, it was under the Library section, is not there anymore?

4 PUBLIC QUESTION TIME

Response

The Mayor took the question on notice.

Question 2

There are so many publications from the City, is there anything available to make it easier for the visually impaired to read them?

Response

The Mayor took the question on notice.

Question 3

Is everyone aware of the report aired on the ABC called 'Interference'? it is about the new evidence of China's covert political influence campaign across Australia at all levels and we have entered into this.

Response

The Mayor advised that she is not aware of the report and explained that the City entered into a non-binding Friendship Agreement.

Question 4

But it is a possibility that some of these companies that wish to invest in us may not be what they present themselves to be?

Response

The Mayor advised at the moment all the City is doing is speaking to them, it is up to them if they wish to come over and look at what we have to offer, as it is to any investor if they are wishing to start up a business.

5 Applications for Leave of Absence:

Nil

6 Declarations of Interest by Members and City Officers:

Nil

7 Community Submissions:

Nil

8 Minutes to be Confirmed:

8.1 Ordinary Meeting of Council held on 27 March 2019:

COUNCIL DECISION

430

MOVED CR S LEE

SECONDED CR M ROWSE

That the Minutes of the Ordinary Meeting of Council held on 27 March 2019 be confirmed as a true and correct record of the meeting.

**CARRIED
6/0**

8.2 Executive Appraisal Committee Meeting held on 1 April 2019:

COUNCIL DECISION

431

MOVED CR S MILLS

SECONDED CR M ROWSE

That the Minutes of the Executive Appraisal Committee Meeting held on 1 April 2019 be confirmed as a true and correct record of the meeting.

**CARRIED
6/0**

9 Referred Standing / Occasional / Management /Committee Meeting Reports:

Nil

10 Petitions:

Nil

11 Notices of Motion:

Nil

12 Reports - Community

12.1 Kwinana Senior Citizens Centre Application for Gaming Activities (Bingo)

DECLARATION OF INTEREST:

There were no declarations of interest declared.

SUMMARY:

The Kwinana Senior Citizens Centre Inc. (Kwinana Senior Citizens) has made an application to the Department of Racing, Gaming and Liquor (DRGL) to renew the approval of the premises for their gaming activities (Bingo only). Their current permit is due to expire on 17 April 2019. The gaming activities are conducted at a premises owned by the City of Kwinana (the City), located at Lot 1042, 17 Harley Way, Medina also known as the Kwinana Senior Citizens Centre.

As part of the application process for the DRGL, a Certificate of Local Government Authority (Attachment A) is required to be issued in accordance with Section 55 of the *Gaming and Wagering Commission Act 1987* certifying that the premises conforms with the required Environmental Health and Planning legislation.

The gaming in the form of Bingo is mainly for members only and it facilitates socialisation and participation. The City has not received complaints in any form about the Centre's gaming activities. Council approval is therefore sought to complete the required local government certification, which precedes the determination by the DRGL.

OFFICER RECOMMENDATION:

That Council authorise the Director City Regulation to complete the Section 55 Certificate of Local Authority, at Attachment A and forward to the Department of Racing, Gaming and Liquor for determination on the Kwinana Senior Citizens Centre gaming application.

DISCUSSION:

The Kwinana Senior Citizens is a seniors' club that holds an existing premises approval for gaming. The approval is due to expire on 17 April 2019 and the Kwinana Senior Citizens is therefore seeking to renew the approval for gaming to be conducted in the 'Main Hall' of the premises (Attachment B) for a five-year period from the date of approval by the DRGL.

Subsection 3 of Section 55 of the Gaming and Wagering Commission Act 1987 specifies that the grant of a premises approval for gaming requires:

- a local government report to certify that conformance requirements to the Health (Miscellaneous Provisions) Act 1911, to the relevant Act relating to sewerage and drainage and to any subsidiary legislation made under those Acts or the Local Government Act 1995; and

12.1 KWINANA SENIOR CITIZENS CENTRE APPLICATION FOR GAMING ACTIVITIES (BINGO)

- a report from the authority responsible for local planning matters affecting the premises certifying that the proposed or actual use does not contravene any written law relating to local planning; or where a proposed use will not contravene such a written law only if a specified consent be given, whether or not that consent will be given and as to any conditions relating to that consent.

There is no delegation in place for an officer to complete the Section 55 Certificate of Local Government Authority. The certificate requires the local government to state that the part of the premises 'Main Hall', which is subject to the application, conforms with the *Health (Miscellaneous Provisions) Act 1911* and the use of the premises for gaming activities does not contravene City Planning matters.

To facilitate Council's decision, the following supporting information is provided:

Conformance with the *Health (Miscellaneous Provisions) Act 1911* -

- A Certificate of Approval was issued to The Kwinana Senior Citizens Centre Inc. on 22 April 2014 pursuant to Section 178(1) of the *Health (Miscellaneous Provisions) Act 1911* for the premises including the Main Hall for a maximum accommodation of 372 persons.
- An inspection of the premises by an Environmental Health Officer on 11 March 2019 demonstrated compliance with the requirements of the *Health (Public Buildings) Regulations 1992*. These inspections are conducted on a regular basis to ensure ongoing compliance.
- The premises is connected to the water and sewer mains and there are no further local government requirements in relation to sewage and drainage at the premises.

Local planning matters affecting the premises -

- The subject land is zoned Commercial under the Local Planning Scheme No. 2
- The proposed gaming activities does not contravene the City's Local Planning matters.

Following a request for information from the City, the secretary of the club informed the City that:

- The intent of the gaming permit is for the venue to be able to host weekly Bingo games.
- The Bingo games are intended to be held on Mondays and Wednesdays from 12.45pm to 2.45pm on both days. These times accord with their DRGL Bingo Permit.
- The expected weekly attendance is 5 – 25 persons on each day.
- The purpose of these games is to add value for members of the Kwinana Social Club and attract new members to join the club.

It is therefore recommended that Council authorise the Director City Regulation to issue a Section 55 Certificate confirming that the application conforms with the requirements of the *Health (Miscellaneous Provisions) Act 1911* and the use of the premises for gaming activities does not contravene City planning matters.

12.1 KWINANA SENIOR CITIZENS CENTRE APPLICATION FOR GAMING ACTIVITIES (BINGO)

LEGAL/POLICY IMPLICATIONS:

Gaming and Wagering Commission Act 1987

Section 55. Approving premises for gaming

- (3) *The Commission may in relation to any premises require an applicant for the grant of approval or the holder of the approval to produce to the Commission —*
- (a) *a report from the local government of the district in which the premises are situated, certifying that those premises conform, or if not conforming in what respect they do not conform, to the Health (Miscellaneous Provisions) Act 1911, to the relevant Act relating to sewerage and drainage and to any subsidiary legislation made under those Acts or the Local Government Act 1995; and*
 - (b) *a report from the authority responsible for local planning matters affecting the premises certifying —*
 - (i) *that the proposed or actual use does not contravene any written law relating to local planning; or*
 - (ii) *where a proposed use will not contravene such a written law only if a specified consent be given, whether or not that consent will be given and as to any conditions relating to that consent;*

FINANCIAL/BUDGET IMPLICATIONS:

There are no financial or budget implications as a result of this report.

ASSET MANAGEMENT IMPLICATIONS:

There are no asset management implications as a result of this report.

ENVIRONMENTAL IMPLICATIONS:

There are no environmental implications as a result of this report.

STRATEGIC/SOCIAL IMPLICATIONS:

This proposal will support the achievement of the following outcome and objective detailed in the Corporate Business Plan.

Plan	Outcome	Objective
Corporate Business Plan	Regulatory and legal	6.8 Provide services and advice to the community and all stakeholders to comply with statutory obligations to achieve a healthy community and environment.

12.1 KWINANA SENIOR CITIZENS CENTRE APPLICATION FOR GAMING ACTIVITIES (BINGO)**COMMUNITY ENGAGEMENT:**

There are no community engagement implications as a result of this report.

PUBLIC HEALTH IMPLICATIONS

The recommendations of this report have the potential to help improve the following determinant of health factors –

- Health Behaviours – Participation.

RISK IMPLICATIONS:

The risk implications in relation to this proposal are as follows:

Risk Event	The City does not sign the Certificate of Authority resulting in lapse of Bingo Permit for Kwinana Senior Citizens
Risk Theme	Ineffective management of facilities/venues/events
Risk Effect/Impact	Reputation
Risk Assessment Context	Operational
Consequence	Moderate
Likelihood	Almost certain
Rating (before treatment)	High
Risk treatment in place	Avoid – remove cause of risk
Response to risk treatment required/in place	Have the Certificate of Authority signed by the Director City Regulation and send it to the Kwinana Senior Citizens Centre.
Rating (after treatment)	Low

COUNCIL DECISION

432

MOVED CR D WOOD**SECONDED CR S MILLS**

That Council authorise the Director City Regulation to complete the Section 55 Certificate of Local Authority, at Attachment A and forward to the Department of Racing, Gaming and Liquor for determination on the Kwinana Senior Citizens Centre gaming application.

**CARRIED
6/0**



Ref No: 80.2010.96.4
Doc: D19/15081
Officer: GN

CERTIFICATION OF LOCAL GOVERNMENT AUTHORITY
GAMING AND WAGERING COMMISSION ACT 1987, SECTION 55

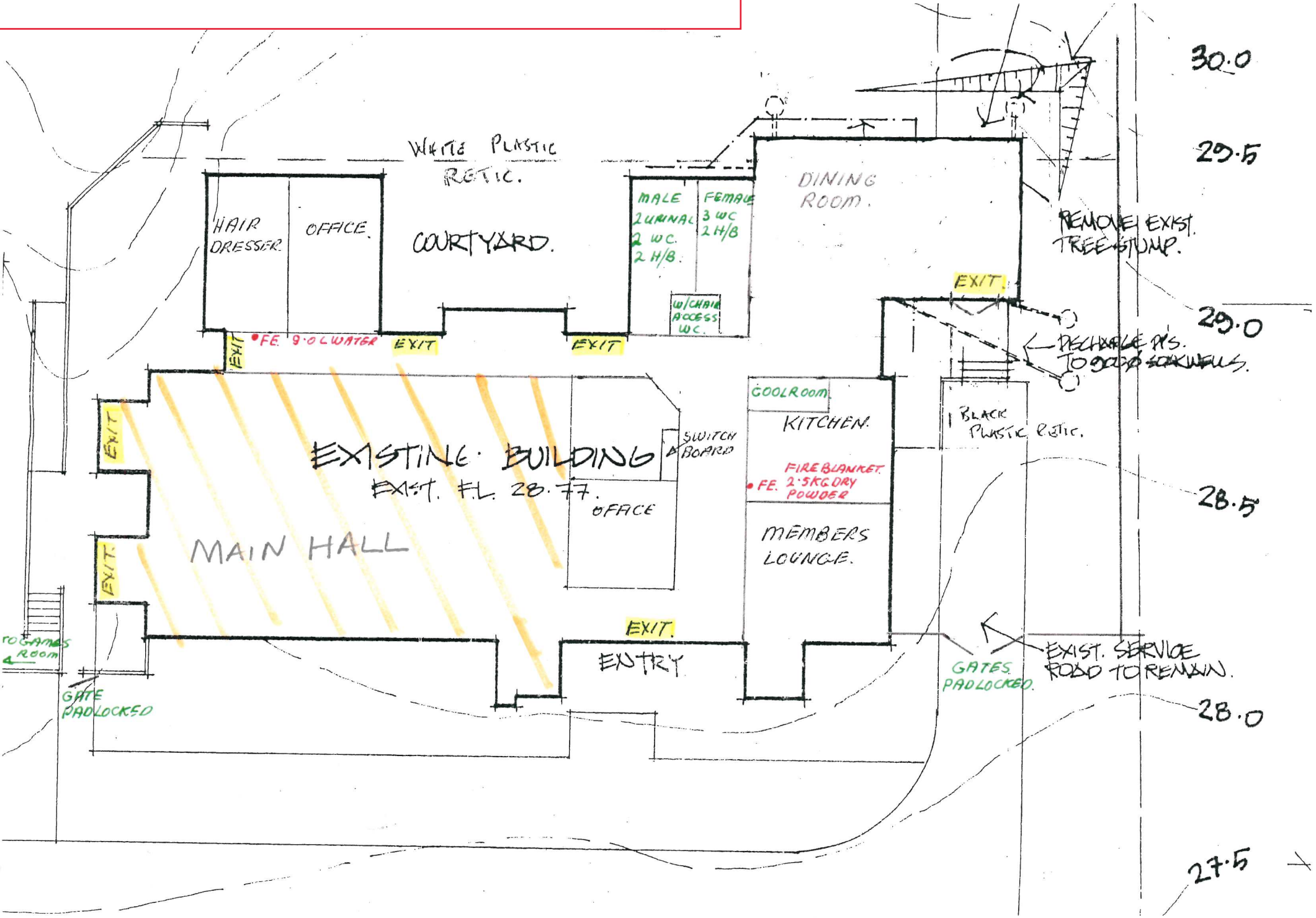
This section is to be completed by the appropriate Local Government Authority for the area in which the premises, known as Kwinana Senior Citizens Inc., Lot 1040 (17) Harley Way Medina within the City of Kwinana is situated.

The part of the premises which are subject to this application conforms with the Health (*Miscellaneous Provisions*) Act 1911 and the use of the premises for Gaming activities does not contravene City Planning matters.

Signed: _____
Ashley Harding
ACTING DIRECTOR CITY REGULATION

Date: _____

ATTACHMENT B - FLOOR PLAN



30.0

29.5

29.0

28.5

28.0

27.5

12.2 Offer of Surplus Vehicles for Fire Support for the Volunteer Bush Fire Brigade from the BP Refinery (Kwinana) Pty Ltd

DECLARATION OF INTEREST:

There were no declarations of interest declared.

SUMMARY:

The City's two Volunteer Bush Fire Brigades (Brigades) have been offered surplus four-wheel-drive utility vehicles, from the BP Refinery (Kwinana) Pty Ltd (BP Refinery) fleet, for the purpose of providing fire control services within the community. The need for additional four-wheel-drive utility vehicles in the City's Brigades was recognised a number of years ago, with discussions between the City and the Brigades looking at options for the acquisition of the desired additional resource. After being made aware of the benefits of the additional resources within the City's Brigades, the BP Refinery has offered to donate two surplus four-wheel-drive utility vehicles from their fleet.

While the acceptance of a donation to the Brigades seems straightforward, due to the value of the assets, and the ongoing costs of the assets, it is necessary for Council to formally accept the offer, and to modify the 2018/19 budget to recognise the change. Accordingly, Council is requested to accept the offer of two four-wheel-drive utility vehicles, and to adjust the 2018/19 annual budget to recognise the acquisition of new assets, and the operating costs of the two vehicles for the remainder of the financial year.

OFFICER RECOMMENDATION:

That Council

1. Accept the offer from BP Refinery (Kwinana) Pty Ltd of two Ford Ranger four-wheel-drive utility vehicles, on behalf of the Mandogalup Volunteer Bushfire Brigade and the Kwinana South Volunteer Bush Fire Brigade, for the purpose of Bush Fire Support Vehicles;
2. Confirm that the City will meet the ongoing costs of fuel, scheduled maintenance, registration and insurance;
3. Confirm the City will meet the cost of transferring the ownership of the vehicles to the City;
4. Authorise the Mayor and Chief Executive Officer to lobby the Department of Fire and Emergency Services to fund the operational costs of these two vehicles through the Emergency Services Levy Operating Grant;
5. Notes that the two Volunteer Bush Fire Brigades will each respectively meet the costs of modifying the vehicles to make them fit for purpose, and the cost of any major mechanical failure;
6. Confirms that the City will not fund the replacement of these vehicles, when they reach the end of life; and
7. Adjusts the 2018/19 City of Kwinana Annual Budget as follows:

Item #	Description	Current Budget	Increase/Decrease	Revised Budget
1	Fire & Emergency Mgmt – Cap Project Exp – Project Control Account – Plant & Equipment - Contractors	Nil	\$14,500	\$14,500

12.2 OFFER OF SURPLUS VEHICLES FOR FIRE SUPPORT FOR THE VOLUNTEER BUSH FIRE BRIGADE FROM THE BP REFINERY (KWINANA) PTY LTD

Item #	Description	Current Budget	Increase/ Decrease	Revised Budget
1	Fire & Emergency Mgmt – Cap Project Rev – Project Control Account – Plant & Equipment – Grants and Contributions	Nil	(\$14,500)	(\$14,500)
	Fire & Emergency Management – Vehicle Operating Expenses – Plant	\$8,222	\$3,000	11,222
	Law, Order & PS – Vehicle Operating Expenses – Plant	\$59,527	(\$3,000)	\$56,527

NOTE: AN ABSOLUTE MAJORITY OF COUNCIL IS REQUIRED

DISCUSSION:

Prior to 2016, the City's Brigades started a discussion with the City regarding avenues to acquire an additional non-frontline Fire Support Vehicle. The purported purpose of the vehicles was as follows:

- Crew change out vehicle during a fire emergency;
- Transporting crews to regional fire emergencies, without removing frontline fire equipment from the local fleet;
- Sector Commander vehicle during a local incident, without removing a frontline vehicle from the fleet;
- Catering and supplies to controlled burns and other incidents;
- Strike Team Leader vehicle, which is better equipped for that purpose, without removing a frontline vehicle from the fleet;
- Delivering fuel and equipment to frontline vehicles on a fire ground;
- Hazard reduction burn management, without removing a frontline vehicle from the effort; and
- Logistics, training, public education and other non-emergency support, training and education purposes, utilising a lower-cost vehicle rather than a purpose built fire appliance.

Essentially, the purpose of the Fire Support Vehicles is to allow fire appliances to be reserved for the purpose of fighting fires, with the Fire Support Vehicles undertaking periphery and off-season roles, that would otherwise tie up high-value frontline vehicles. A detailed proposal for the Fire Support Vehicle, prepared by the Mandogalup Brigade, is attached (Attachment A).

Although the City has, in the past, made City Assist vehicles available to reduce the need to use frontline fire vehicles for non-frontline tasks, City Assist Vehicles are rarely used, as they are often not available, and are generally unsuited to the task (not being fitted out with the correct equipment, and the back of the vehicles occupied by animal cages). Since at least 2016, the Brigades have pursued avenues to fund appropriate vehicles to be utilised as Fire Support Vehicles. Recently, through an employment connection, the Brigades made an approach to the BP Refinery with the possibility of acquiring surplus vehicles. BP Refinery have responded with an offer for two four-wheel-drive utilities that are surplus to their fleet, on the following conditions:

12.2 OFFER OF SURPLUS VEHICLES FOR FIRE SUPPORT FOR THE VOLUNTEER BUSH FIRE BRIGADE FROM THE BP REFINERY (KWINANA) PTY LTD

- Although roadworthy, the vehicles are offered on an “as-is” basis;
- The recipient (the City or Brigades) will meet the cost of transferring ownership; and
- BP Refinery will not have any ongoing liability for the vehicles.

The offer by the BP Refinery achieves the required outcomes of the Brigades, without a capital cost to the Brigades or the City. The conditions of the offer are consistent with the expectations of any transaction for a second-hand vehicle, so are considered reasonable. Accordingly, it is considered appropriate to accept the offer.

While the acceptance of the offer is supported, it does need to be recognised that there will be costs to the City for the vehicles. In addition, as the vehicles are second-hand, and a number of years old, there is a risk that there could be a major failure in one of the vehicles, which could result in a significant cost of repair.

In discussions with the Brigades, the following has been agreed with regard to the costs:

- The City will meet basic operational costs (fuel, registration, scheduled maintenance and insurance);
- The Brigades will meet the cost of fitout and setup; and
- In the case of a major failure, such as an engine or gearbox, the Brigade will need to meet the cost of repair, or the vehicle will be stripped and disposed.

When the Brigades originally raised the need for Fire Support Vehicles with the City, an offer was made to dispose of their Fire Incident Command Bus (Bus), allowing the operating costs of the Bus to be utilised to fund the operating costs of the Fire Support Vehicles. Although the Bus was disposed several years ago, and the operating budget has been adjusted accordingly, in effect, the operating saving has been realised, so that any adjustment to the operating budget is partly offset by the savings from the Bus. Taking into account the vehicles are donated and the depreciation of the vehicles is low (and non-cash), the true annual operating costs is not expected to be significant. It is proposed that the operating costs for the vehicles, for the remainder of the financial year, be funded through a reduction in the vehicle operating budget allocated to the City Assist fleet.

Finally, it should be acknowledged that the proposed Fire Support Vehicles cannot be funded through the Emergency Services Levy funded grants administered by the Department of Fire and Emergency Service. These funds are prioritised for front-line vehicles and high-level incident management vehicles.

It is recommended that Council resolve to accept the offer by the BP Refinery, and adjust the 2018/19 budget accordingly.

LEGAL/POLICY IMPLICATIONS:

The acceptance of the offer of the Fire Support Vehicles requires a budget variation. The *Local Government Act 1995*, at Part 6 Division 4 section 6.8(1) requires the local government not to incur expenditure from its municipal fund for an additional purpose, except where the expenditure . . . is authorised in advance by resolution . . .

12.2 OFFER OF SURPLUS VEHICLES FOR FIRE SUPPORT FOR THE VOLUNTEER BUSH FIRE BRIGADE FROM THE BP REFINERY (KWINANA) PTY LTD**FINANCIAL/BUDGET IMPLICATIONS:**

The value of the vehicles is estimated as follows at \$14,500:

- 2006 Ford Ranger four-wheel-drive utility: \$6,500;
- 2009 Ford Ranger four-wheel-drive utility: \$8,000.

The annual operating cost of the two vehicles is estimated at a combined cost of \$5,000.

Although the City will meet the Operating costs of the two vehicles, the Brigades will be responsible for fitout costs, major mechanical failures, and replacement of each vehicle when it reaches end of life.

ASSET MANAGEMENT IMPLICATIONS:

The acceptance of the offer for two additional vehicles will result in increased depreciation and increased operational costs. However, the true costs are very low, with the community benefit outweighing the impact to the overall management of the City's assets.

ENVIRONMENTAL IMPLICATIONS:

There are no environmental implications as a result of this report.

STRATEGIC/SOCIAL IMPLICATIONS:

This proposal will support the achievement of the following outcome and objective detailed in the Corporate Business Plan.

Plan	Outcome	Objective
Corporate Business Plan	Community Services	6.3 Provide Emergency Services in line with stakeholder expectations to ensure a safer community

COMMUNITY ENGAGEMENT:

There are no community engagement implications as a result of this report.

PUBLIC HEALTH IMPLICATIONS

There are no implications on any determinants of health as a result of this report.

12.2 OFFER OF SURPLUS VEHICLES FOR FIRE SUPPORT FOR THE VOLUNTEER BUSH FIRE BRIGADE FROM THE BP REFINERY (KWINANA) PTY LTD

RISK IMPLICATIONS:

The risk implications in relation to this proposal are as follows:

Risk Event	Reduced emergency response due to frontline vehicle utilised in support role.
Risk Theme	Inadequate environmental management
Risk Effect/Impact	Environment Reputation Property
Risk Assessment Context	Operational
Consequence	Moderate Minor
Likelihood	Unlikely
Rating (before treatment)	Low
Risk Treatment in place	Avoid - remove cause of risk
Response to risk treatment required/in place	Accept offer of Fire Support Vehicles to free up front-line fire appliances
Rating (after treatment)	Low

COUNCIL DECISION

433

MOVED CR D WOOD

SECONDED CR M ROWSE

That Council

1. **Accept the offer from BP Refinery (Kwinana) Pty Ltd of two Ford Ranger four-wheel-drive utility vehicles, on behalf of the Mandogalup Volunteer Bushfire Brigade and the Kwinana South Volunteer Bush Fire Brigade, for the purpose of Bush Fire Support Vehicles;**
2. **Confirm that the City will meet the ongoing costs of fuel, scheduled maintenance, registration and insurance;**
3. **Confirm the City will meet the cost of transferring the ownership of the vehicles to the City;**
4. **Authorise the Mayor and Chief Executive Officer to lobby the Department of Fire and Emergency Services to fund the operational costs of these two vehicles through the Emergency Services Levy Operating Grant;**
5. **Notes that the two Volunteer Bush Fire Brigades will each respectively meet the costs of modifying the vehicles to make them fit for purpose, and the cost of any major mechanical failure;**
6. **Confirms that the City will not fund the replacement of these vehicles, when they reach the end of life; and**
7. **Adjusts the 2018/19 City of Kwinana Annual Budget as follows:**

12.2 OFFER OF SURPLUS VEHICLES FOR FIRE SUPPORT FOR THE VOLUNTEER BUSH FIRE BRIGADE FROM THE BP REFINERY (KWINANA) PTY LTD

Item #	Description	Current Budget	Increase/ Decrease	Revised Budget
1	Fire & Emergency Mgmt – Cap Project Exp – Project Control Account – Plant & Equipment - Contractors	Nil	\$14,500	\$14,500
	Fire & Emergency Management – Vehicle Operating Expenses – Plant	\$8,222	\$3,000	11,222
	Law, Order & PS – Vehicle Operating Expenses – Plant	\$59,527	(\$3,000)	\$56,527

CARRIED BY AN ABSOLUTE MAJORITY OF COUNCIL

6/0

Fire Support Vehicle Proposal

Mandogalup Volunteer Bush Fire Brigade
5/01/2019



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Executive Summary

The Mandogalup Volunteer Bush Fire Brigade is a volunteer fire service within the City of Kwinana, with approximately 45 volunteer members. The brigade is available 24 hours a day, every day of the year and currently responds to approximately 100-150 emergency incidents every year.

The brigade has identified that response, training and maintenance activities could be significantly enhanced through a general purpose 4WD utility, also known as a Fire Support Vehicle (FSV). The introduction of such a vehicle would allow operational vehicles to continue front-line fire fighting, instead of being removed to perform these roles.

The brigade hopes to acquire a second hand 4wd utility through donation. The brigade has previously obtained in-principal support from the City of Kwinana for ongoing costs, such as registration and insurance. The brigade intends to draw upon savings or other donations to fit out the vehicle with required communications equipment.

1.0 Introduction

The purpose of this proposal is to demonstrate the requirement of the Mandogalup Volunteer Bush Fire Brigade (MVBFB) to have a dedicated support vehicle which will be made available to the brigade and its officers 24 hours a day, 7 days a week and will be used for a variety of roles, primarily crew changing and assisting the officers of the brigade in fulfilling their duties.

Also included in this document is a list of specifications for the vehicle, a detailed list of the equipment required for the support vehicle, the cost and budgeting arrangements.

2.0 Justification

Due to the variety of roles and tasks which VFBs are required to undertake, there is a genuine need for a dedicated support vehicle based on a 4x4 utility. Neighbouring Local Governments (City of Cockburn, City of Rockingham and the Shire of Serpentine-Jarrahdale) along with many others around the Perth Metropolitan Region have employed a permanent support vehicle to be used by volunteers in their respective local area.

The support vehicle will enable the brigade the ability to perform many roles that currently use frontline appliances at the majority of incidents the brigade attend (In excess of approximately 50-100 incidents and 10 hazard reduction burns per annum).

Roles which the Fire Support Vehicle (FSV) would be utilised includes:

- Crew changeover vehicle for incidents:
 - Local Incidents: At present when the 3.4 and both Light Tankers (LTs) from MVBFB are committed to a local incident in the City of Kwinana or surrounding shires, the brigade is required to return to station to perform the changeover due to the amount of crew. With a FSV and a minimum capacity of 5 persons, the fresh crew for a heavy and 1 light vehicle would be able to change on scene with only one LT having to return to station for relief crew.
 - Regional Incidents: Generally the largest commitment for brigades working in a strike team regionally would be the 3.4 or one LT only. In both cases a maximum of 4, 5 or 6 crew would require changeover and would easily be accommodated in a crew cab ute. If 6 persons required transport, 5 may travel in the support vehicle to the changeover with the remaining person travelling with the relief Strike Team Leader or in a neighbouring brigade heavy vehicle.
- Sector Commander Vehicle:
 - At present if a brigade officer is appointed as a sector commander at a local incident, they are rarely offered a support vehicle for this role and are required to commandeer a frontline fire fighting vehicle which could be manned and used for fire suppression. If the brigade had a dedicated support vehicle with the appropriate radios and ancillary equipment it could be mobilised to any fire in the City of Kwinana and be utilised throughout the incident by the Sector Commander. This also frees the Sector Commander from having to drive the vehicle, and allows them to better perform their role, as the original person who drives to the incident can stay at the incident and drive the Sector Commander about the fire ground.
- Catering vehicle for control burns and incidents:

-
- Currently the brigade is required to send away frontline fire vehicles to pick up refreshments for control burns and fires, subsequently this removes a vehicle from an active fire. This vehicle would be much more valuable on the fire ground and subsequently decreases the time required to complete the control burn or extinguish the fire.
 - Strike team leader vehicle:
 - Brigade Officers can be sent as Strike Team Leaders representing the Perth South Metro Strike team. If the brigade is required to provide a ST leader the FSV would be available and well equipped for this task. The FSV enables better relief in the IMT and ensures the Officers undertaking this role are properly equipped.
 - Maintenance/fuel run vehicle:
 - At present the brigade is using their frontline vehicles to transport jerry cans to the service station to fill up on station fuel supplies. The FSV will be utilised to fulfil this role in future.
 - Hydrant inspections:
 - The brigade is responsible for inspecting the hydrants in its primary turnout area. The support vehicle would be an excellent addition to the fleet, in allowing brigade members to complete these inspections quicker and carry additional personnel assisting with inspections.
 - Recovery vehicle:
 - A 4WD ute would be well set up to recover vehicles in training exercises as well as incidents. Using the Support in this role would free up the fire vehicle that would normally be used.
 - Hazard Reduction Burns:
 - The Brigade Captains, FCO/s and Lieutenants will use the support vehicle for reconnaissance of potential control burn locations and on the day of the hazard reduction burn as a forward control vehicle allowing for staging and crew briefing on site as well as a mobile control point able to supervise the crews during the mitigation.
 - Transport for training courses and meetings:
 - Brigade members undertaking more advanced training courses at the Western Australian Fire and Emergency Services Academy in Forrestfield can use the vehicle for transport. Brigade officers regularly attending meetings, conferences or other events in the City of Kwinana or neighbouring shires. This increases the incentive of members to further their training or attend these events as they do not need to use their own fuel/vehicle.
 - Logistics:
 - The Stationmaster may use the support to shop for refreshments, new PPE and any other logistical needs.
 - Fire break inspections:
 - If the brigade is called upon to inspect firebreaks, the Support will be utilised alongside other fire vehicles to decrease the time required to complete these inspections.
 - Public education/Community awareness:
 - At large community events such as local fairs and bushfire awareness campaigns the FSV will be utilised to increase public awareness of the brigade. The Support will also be used at smaller Bushfire Ready Action Group street meets and other local events.
 - Equipment transport:
 - The Support will make it easier to transport items such as barbeques and bulk foam supplies for both training and large-scale incidents within the city and regionally.
 - Assisting S.E.S and other Agencies with reconnaissance:

-
- When called upon to assist other agencies in a non-firefighting capacity, such as storm damage assessments for the S.E.S, the support vehicle will either supplement or replace the current practice of using frontline fire fighting vehicles.
 - Training:
 - Both in the role of logistical support for training exercises as well as a tool for training itself in off-road driving practice, the support will provide a valuable resource to enable members to be trained to a higher standard.
 - Bush Fire Games Competition
 - MVBFB has had a strong presence with good results over three decades at the Perth Bushfire Games Competition; this vehicle will be used to assist members in training and for transport on the day of the competition.

3.0 Requirements

This section outlines the required specifications and equipment for the vehicle, as well as any relevant ancillary equipment that could be carried.

3.1 Vehicle Specifications:

The Support vehicle must have the following specifications:

- 4WD Capability
- White exterior paint
- Seating for a minimum of 5 persons including driver
- Diesel
- Able to have a bull bar and towbar fitted
- Interior capable of mounting radios, mobile phone cradle, seat covers, etc.
- Utility vehicle

3.2 Fit-Out and Equipment

The following modifications will need to be carried out to the vehicle to ensure it complies with current standards for the roles it will fulfil:

- Reverse Beeper
- Improved Reverse Lights
- Stickers and striping
- Spotlights and worklights
- Emergency Lighting and Siren package
- Bullbar
- Aerials and aerial mounts
- Upgraded tyres for greater off-road capability

The following supplementary equipment is necessary to ensure the vehicle is as versatile as possible:

2 x Tait 8260 WAERN Vehicle Radios (1 x Green, 1 x Yellow. See Appendix A)	Covered by WAERN allocation SAP 3.1B
Heavy duty seat Covers and floor mats	\$800.00
Streetsmart Street Directory	\$20.00
First Aid Kit (Accidental First Aid)	\$50.00
Small (1.0 kg) dry powder fire extinguisher	\$50.00
Vehicle IMT Kit (pens, IAPs, WAERN Metro Comms plans, etc.)	\$30.00
Snatch Strap (same as Light Tankers)	\$100.00
Air Compressor (same as Light Tankers) & deflators	\$600.00
Mobile Phone (same as existing) and cradle/charging system	\$1,000.00
Small Toolkit (standard Light Tanker fit-out)	\$150.00

4.0 Acquisition Strategy and Budgeting

The brigade intends to approach industry in the Kwinana area to donate a vehicle, as closely matching the criteria above as possible. The brigade intends to draw upon savings to purchase any equipment required for the vehicle that cannot also be obtained through donation.

Ongoing costs, such as fuel, licencing and insurance would be supported through to the City of Kwinana. The brigade has in-principal support as present, this will be confirmed once a potential vehicle donation is identified.

Additional funding has been identified below:

Emergency Services Levy:

Some items such as weather meters and first aid kits are eligible to be funded by ESL or LGGS. It is also intended that as equipment can be refreshed on vehicles covered by ESL, that vehicles equipment may be supplied to the FSV.

Salvaged Components:

DFES may be approached to salvage an emergency siren and lighting package from a decommissioned DFES vehicle. In addition, some items required for the support can be salvaged from the Mandogalup Fire Station.

5.0 Management of Vehicle

The vehicle would be housed permanently at Mandogalup Fire Station in one of the vacant vehicle bays available. In 2016, the City of Kwinana had previously agreed to support the vehicle with fuel, insurance, maintenance and licensing costs covered by the City of Kwinana as per the arrangement of the existing firefighting fleet, we are hoping that this support would continue if a FSV can be obtained.

The brigade would manage the use of this vehicle between the Brigade Officers. There would also be a priority scale used for consideration when booking the vehicle, so if the vehicle is requested for training or a meeting event but an incident occurs at short notice, the FSV would then be prioritised for the fire rather than the training.

The priority scale would be similar to the following:

1. Incidents (Local, Strike team deployments, relief crew changes, assisting SES)
2. Hazard Reduction Burns
3. Training (Local or Regional)
4. Meetings (Local or Regional)
5. Logistics (I.e.; Shopping or Delivering supplies)

The alternative option for use of this vehicle would be to assign a responsible officer the role of maintaining a calendar of bookings for this vehicle. If the brigade or an officer require the vehicle they would email or call this person to inform them of their requirements and the officer would keep a record of the location of the vehicle.

Appendix A: Vehicle Fit-out Justification

WAERN Radios:

The inclusion of two WAERN vehicle radios (Tait 8260's) is important in the FSV's roles as Forward Control, Sector Commander, Strike Team Leader, Training, Hazard Reduction Burning and Ground Controller/Helitac Support. Two vehicle radios enable personnel acting in these roles to have two separate channels working at the same time, i.e. for a Sector Commander, one radio is on the incident control channel (duplex) and the other radio is on the sector channel (simplex). Having one WAERN as a green radio and one as a yellow radio ensures that all bands are covered, including the old simplex VHF mid band channels.

For this reason, the WAERN portable is also an important tool for Officers and Crew Leaders, enabling them to maintain communications when they are outside the vehicle.

The vehicle radios can be acquired under ESL. (1 for FCO and 1 for Brigade Captain.)

Emergency Lights and Siren:

Emergency lights and a siren are necessary for the FSV for a number of reasons, the most important of which is crew safety. When active on the fire ground as Sector Commander, or acting as a Strike Team Leader vehicle it is imperative that the Support can easily be seen and identified. The siren is important not only for warning motorists on the way to an emergency, but also to warn other appliances on the fire ground if the Support was entrapped and found itself in a burn over situation or was simply bogged in difficult terrain.

The emergency lights and siren package may be acquired through the DFES workshops or a basic package costing approximately \$1500 may be arranged.

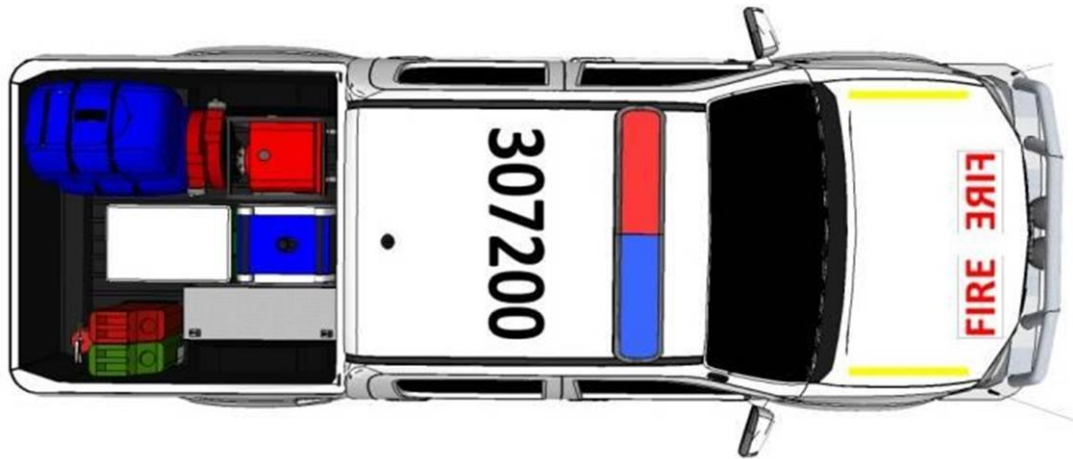
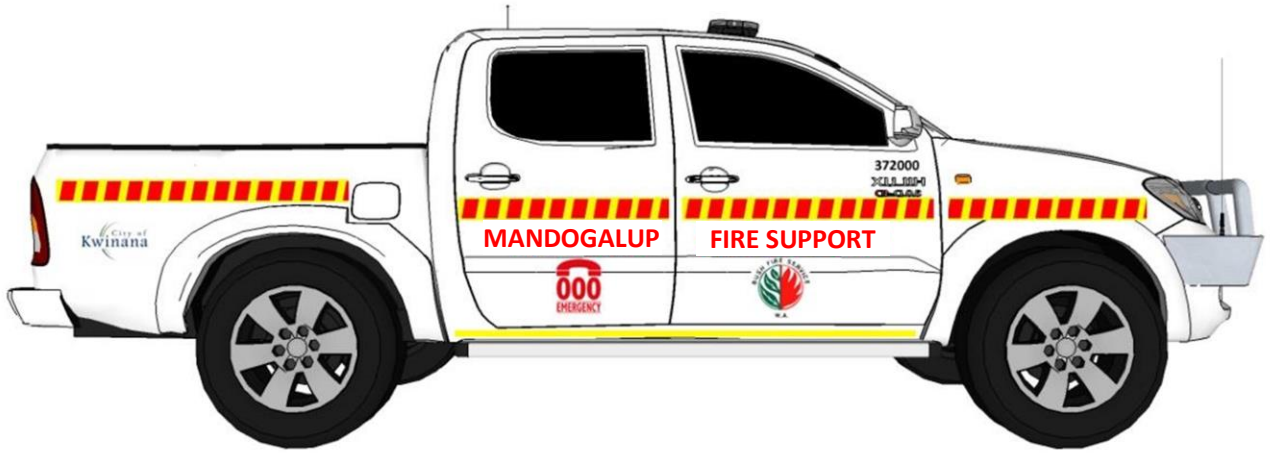
The lighting/siren package should consist of:

- Red/blue light bar
- 2 x 4- or 8-LED grille mounted red/blue lights for the front of the vehicle
- 2 x 4- or 8-LED surface mounted red/blue lights for the rear of the vehicle
- LTS or Hazard Systems Siren with 100W speaker
- Standard lighting/siren controller

Bullbar and Spotlights/Worklights:

Worklights and spotlights increase crew visibility during night operations, with the rear worklights doubling as improved reverse lights, enhancing crew safety.

The bullbar provides an important mounting point for aerials and the spotlights, as well as improving on road regional driving safety when the FSV is performing the Strike Team Leader vehicle role or moving through narrow tracks while off road.



13 Reports - Economic

Nil

14 Reports - Natural Environment

Nil

15 Reports - Built Infrastructure

15.1 Kwinana Beach Road Reclassification

DECLARATION OF INTEREST:

There were no declarations of interest declared.

SUMMARY:

The purpose of this report is to seek Council endorsement of an in-principle agreement to transfer the care, control and management responsibility of the full length of Kwinana Beach Road to Main Roads Western Australia (MRWA) as detailed at Attachment A.

The City of Kwinana requested MRWA to conduct a reclassification of Kwinana Beach Road and consider taking over the responsibility for the road, following the then Town of Kwinana Council passing a resolution at its Ordinary Council Meeting of 9 February 2011 to:

Request Main Roads WA to take ownership of Kwinana Beach Road (and consequently take responsibility for any future maintenance required - in a similar manner to that for the access road to Albany Port facility).

The resolution requesting a reclassification and transfer of the ownership of the road in February 2011 was unsuccessful, as MRWA declined to reclassify Kwinana Beach Road at that time, due to traffic volumes not meeting the minimum requirements.

Another request to MRWA, to conduct a reclassification and take over the care, control and management of the road, was made in August 2017. In this instance, MRWA undertook a reclassification assessment and found that the entire length of Kwinana Beach Road, and the section of Rockingham Beach Road, between the boundary with the City of Kwinana and the southern boundary of CBH Grain Terminal, warrants classification as a State Road.

As part of this assessment, MRWA agreed to take over the maintenance of the 500m section of Kwinana Beach Road, between the Patterson Road intersection and the crossover to CSBP, effective January 2018, to be followed by formal transfer of the road management from the City of Kwinana to MRWA, expected to be completed by July 2019. In order to progress the formal transfer of the road, MRWA have now requested the City of Kwinana Council's endorsement of an in-principle agreement to transfer the care, control and management of the road to MRWA.

MRWA will also follow a similar process with the City of Rockingham, to transfer the remainder of the road, within the City of Rockingham boundary.

OFFICER RECOMMENDATION:

That Council endorse an in-principle agreement for formal transfer of the care, control and management of the full length of Kwinana Beach Road, between Patterson Road and the municipal boundary with the City of Rockingham, to Main Roads Western Australia, as detailed at Attachment A.

15.1 KWINANA BEACH ROAD RECLASSIFICATION

DISCUSSION:

Kwinana Beach Road is currently classified as a District Distributer B road, under the care, control and management of the City of Kwinana. The volume of heavy traffic along Kwinana Beach Road has been steadily increasing over the last several years, due to the establishment of new developments and the expansion of some of the existing industrial developments in the area. This increase in heavy traffic volume has created an opportunity for reclassification of Kwinana Beach Road from a District Distributer B road, to a Primary Distributer road. If the road is reclassified to a Primary Distributer type road, the responsibility for the road can be transferred to MRWA, subject to completion of a formal management order transfer process that is endorsed by the Council and the Minister for Transport, and declared by the Governor.

An assessment of the road, following a request by the City of Kwinana in August 2017, resulted in MRWA agreeing to temporarily assume responsibility for the maintenance of the first 500m section of Kwinana Beach Road, effective from January 2018, pending the formal transfer of care, control and management of the entire road length. As part of this assessment, MRWA also agreed to reclassify the section of Rockingham Beach Road, between the municipal boundary with the City of Kwinana and the southern boundary of the CBC Grain Terminal, to a State Road, with a view to also transfer the care, control and management to MRWA.

In order to progress the formal transfer of the road responsibility, MRWA have now requested the City of Kwinana Council's endorsement of an in-principal agreement to transfer the responsibility of the road to MRWA. Subject to endorsement of the transfer of responsibility by Council and the Minister for Transport, and subsequent declaration by the Governor, MRWA will take the responsibility for management and maintenance of the full length of Kwinana Beach Road effective 1 July 2019.

Kwinana Beach Road is 2.6km long and the width of the carriageway varies between 10m and 15m. Approximately 1km of the road is kerbed and the remaining part of the road is unkerbed, with gravel shoulders. There is approximately 300m of piped drainage at various sections of the road. There are no footpaths located within the road reservation for Kwinana Beach Road. The existing streetlights along Kwinana Beach Road are maintained by Western Power, and the City of Kwinana is responsible for the operating cost of the lights.

As a result of a transfer, MRWA will assume responsibility for the maintenance of the road pavement and the drainage system. The City of Kwinana will retain responsibility for the maintenance of the road verge, car parking bays within the road reservation, and the operating cost of street lighting.

It is estimated the annual renewal cost to the City exceeds \$100,000 to \$150,000 per year, based on a 10 to 15 year resurfacing program (excluding pavement renewals, which are an additional equivalent annual cost). With growing traffic on the road, the whole-of-life cost of the road will continue to grow. Accordingly, passing responsibility for Kwinana Beach Road, to the State, is considered a good outcome for the City, and is supported by Officers.

15.1 KWINANA BEACH ROAD RECLASSIFICATION**LEGAL/POLICY IMPLICATIONS:**

Roads are vested in the care, control and management of a local authority through section 55(2) of the *Land Administration Act 1997*. However, where the Governor, under section 13 of the *Main Road Act 1930*, declares a road to be a main road or highway, the care, control and management of the road will be vested with Main Roads.

FINANCIAL/BUDGET IMPLICATIONS:

The equivalent annual cost of resurfacing Kwinana Beach Road is estimated to be more than \$100,000 to \$150,000, depending on resurface frequency (determined by fatigue resulting from heavy vehicle use). In addition to the cost of resurfacing, road renewals include the rehabilitation and strengthening of the road pavement. By transferring management of Kwinana Beach Road to MRWA, the funding required for the road pavement rehabilitation of the City's road network will decrease by this amount.

There are no financial implications or cost to the City resulting from the road ownership transfer process. However, the City of Kwinana will retain responsibility for the maintenance of the road verge, car parking bays within the road reservation, and the operating cost of street lighting.

ASSET MANAGEMENT IMPLICATIONS:

The asset replacement value of the Kwinana Beach Road pavement, kerbing and drainage is around \$3.5M. Transferring the care, control and management of the road will remove this asset from the City's asset holding, and reduce the City's long-term road funding deficit.

There are no asset management implications for the maintenance of the road verge and car parking bays.

ENVIRONMENTAL IMPLICATIONS:

There are no environmental implications that have been identified as a result of this report or the recommendations.

STRATEGIC/SOCIAL IMPLICATIONS:

This proposal will support the achievement of the following outcome and objective detailed in the Strategic Community Plan.

Plan	Outcome	Objective
Strategic Community Plan	A connected transport network	4.6 Provide a safe and efficient integrated network of roads, footpaths and cycle routes supported by a good public transport system

15.1 KWINANA BEACH ROAD RECLASSIFICATION**COMMUNITY ENGAGEMENT:**

There are no community engagement implications that have been identified as a result of this report or the recommendations.

PUBLIC HEALTH IMPLICATIONS

There are no public health implications that have been identified as a result of this report or the recommendations.

RISK IMPLICATIONS:

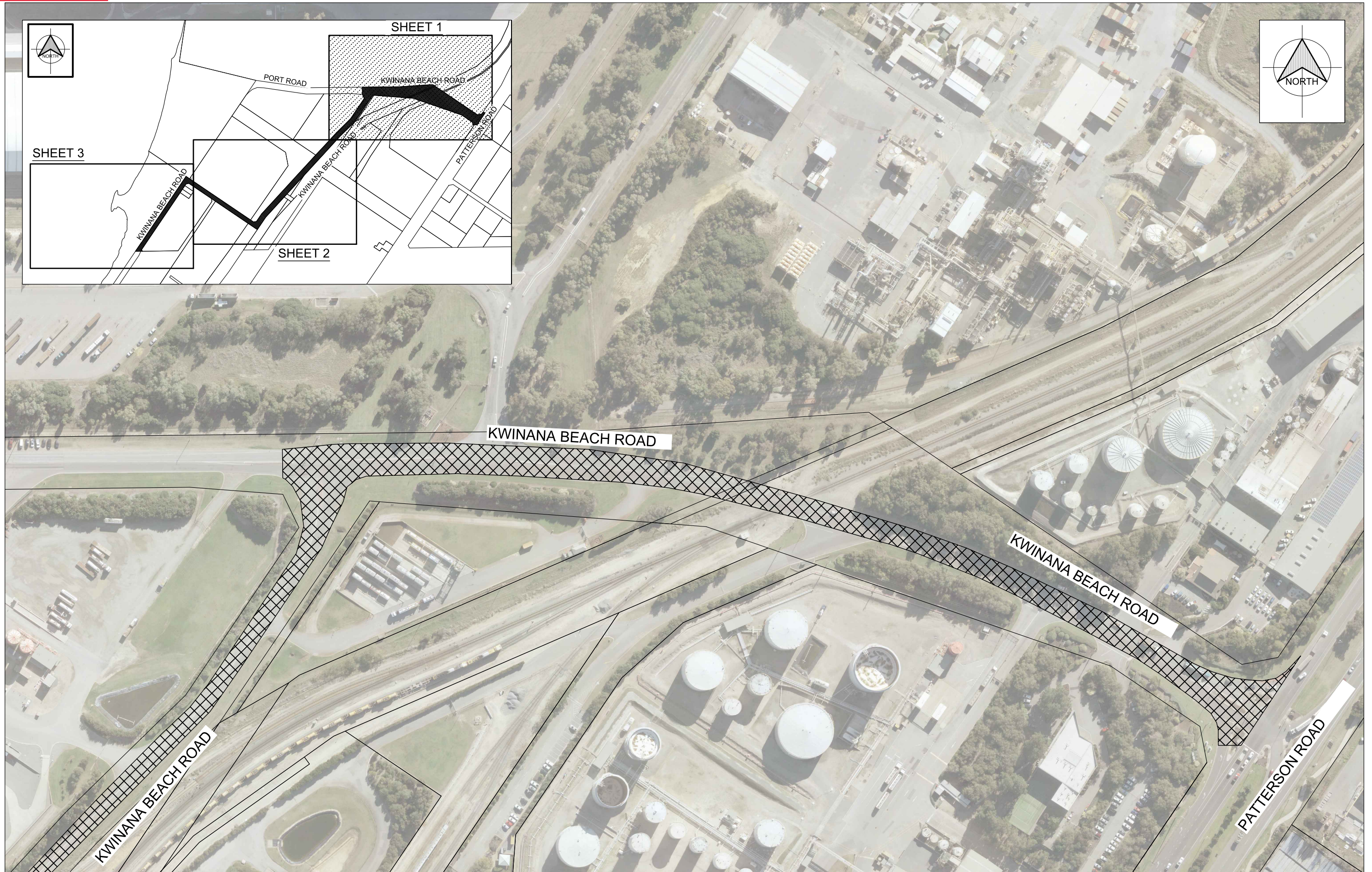
The risk implications in relation to this proposal are as follows:

Risk Event	Failure to endorse the in-principle agreement
Risk Theme	Ineffective management of road assets
Risk Effect/Impact	Financial
Risk Assessment Context	Operational
Consequence	Moderate
Likelihood	Rare
Rating (before treatment)	Low
Risk Treatment in place	Reduce - mitigate risk
Response to risk treatment required/in place	Ensure the report to Council is accurate, relevant and concise to expedite transfer of responsibility
Rating (after treatment)	Low

COUNCIL DECISION**434****MOVED CR S MILLS****SECONDED CR M KEARNEY**

That Council endorse an in-principle agreement for formal transfer of the care, control and management of the full length of Kwinana Beach Road, between Patterson Road and the municipal boundary with the City of Rockingham, to Main Roads Western Australia, as detailed at Attachment A.

**CARRIED
6/0**



REV	DATE	DESCRIPTION	DRAWN
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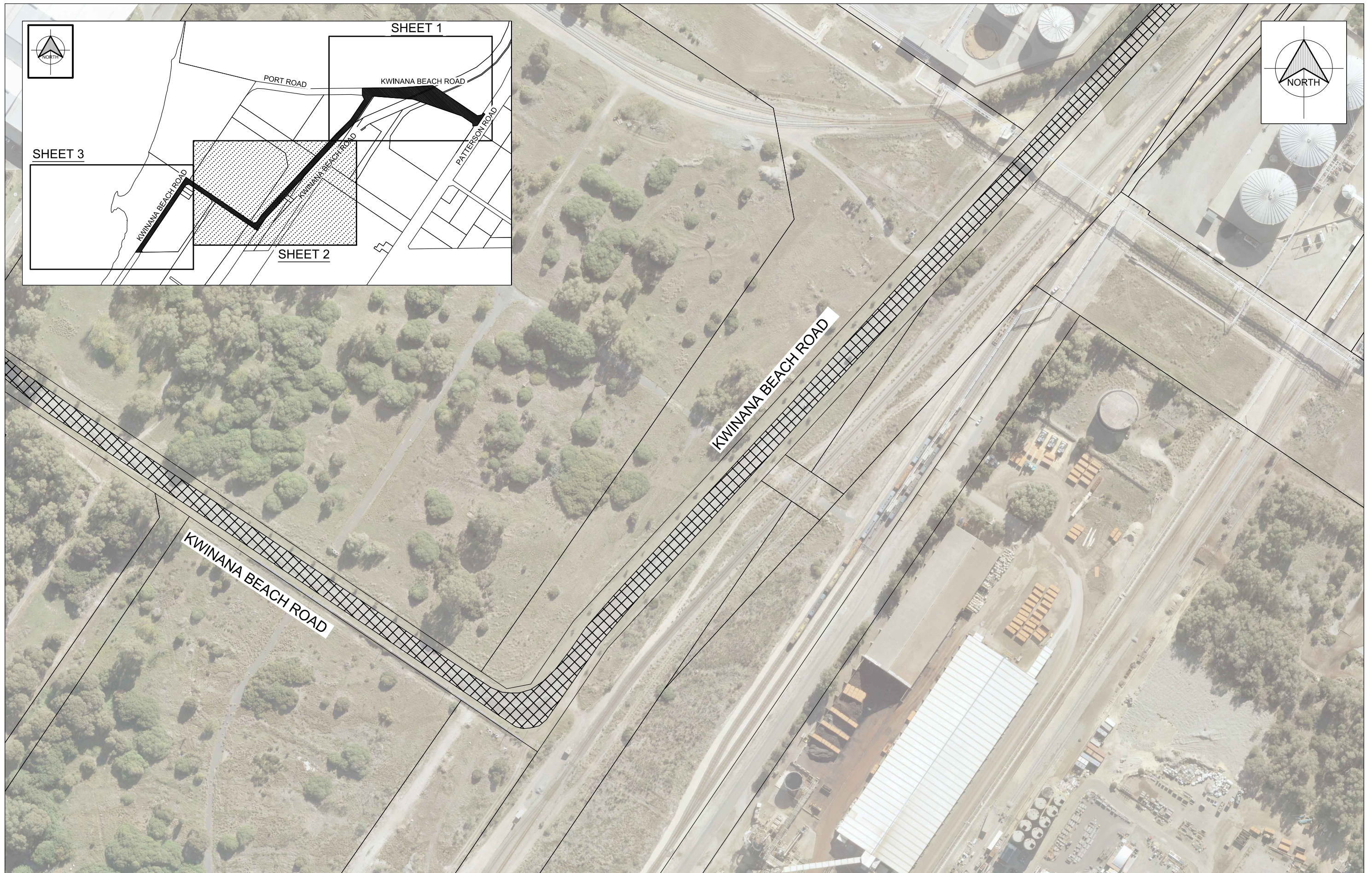
ASSOCIATE CONSULTANT:



PROJECT: KWINANA BEACH ROAD
 ROAD AREA TO BE TRANSFERRED TO MAIN ROADS
 ADDRESS: Cnr Gilmore Avenue and Sulphur Road, Kwinana WA 6167
 PHONE: (08) 9439 0200
 FAX: (08) 9439 0222
 EMAIL: admin@kwinana.wa.gov.au
 WEB: http://www.kwinana.wa.gov.au

SCALE 1:1000 (A3)
 DESIGN S.H CHECK R.N
 DRAWN S.H DATE 03/19
 AUTHORISED (MANAGER ENGINEERING SERVICES)
 R.NAJAFZADEH

DRAWING TITLE
 GENERAL LAYOUT
 SHEET 1 OF 3
 FILE NO. KWIN
 DRAWING NUMBER 19-000-03
 REVISION A



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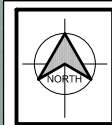
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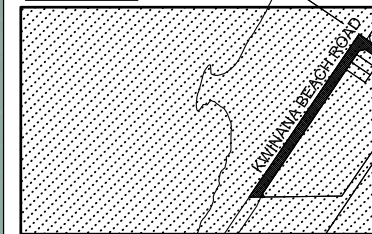
PROJECT: KWINANA BEACH ROAD
 ROAD AREA TO BE TRANSFERRED TO MAIN ROADS
 ADDRESS: Cnr Gilmore Avenue and Sulphur Road, Kwinana WA 6167
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 FAX: (08) 9439 0222
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 DRAWN S.H DATE 03/19
 AUTHORISED (MANAGER ENGINEERING SERVICES)
 R.NAJAFZADEH

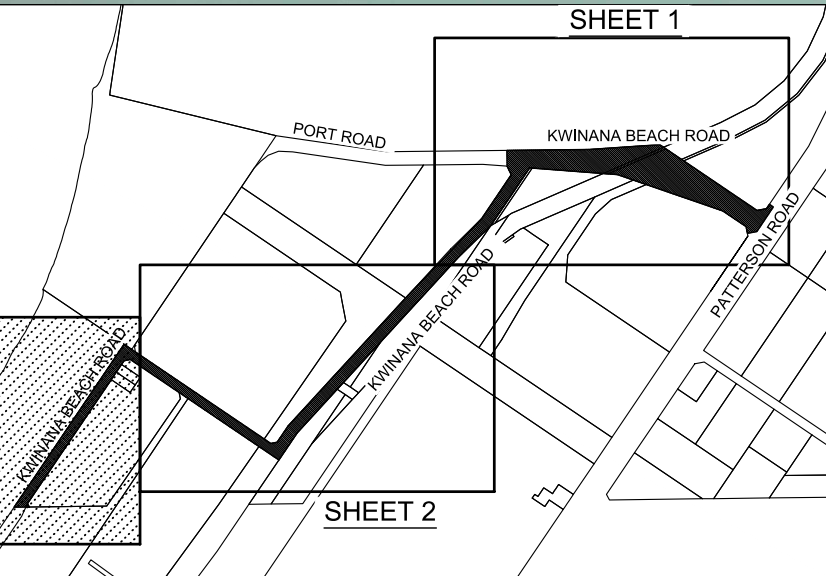
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 REVISION A



SHEET 3



SHEET 1

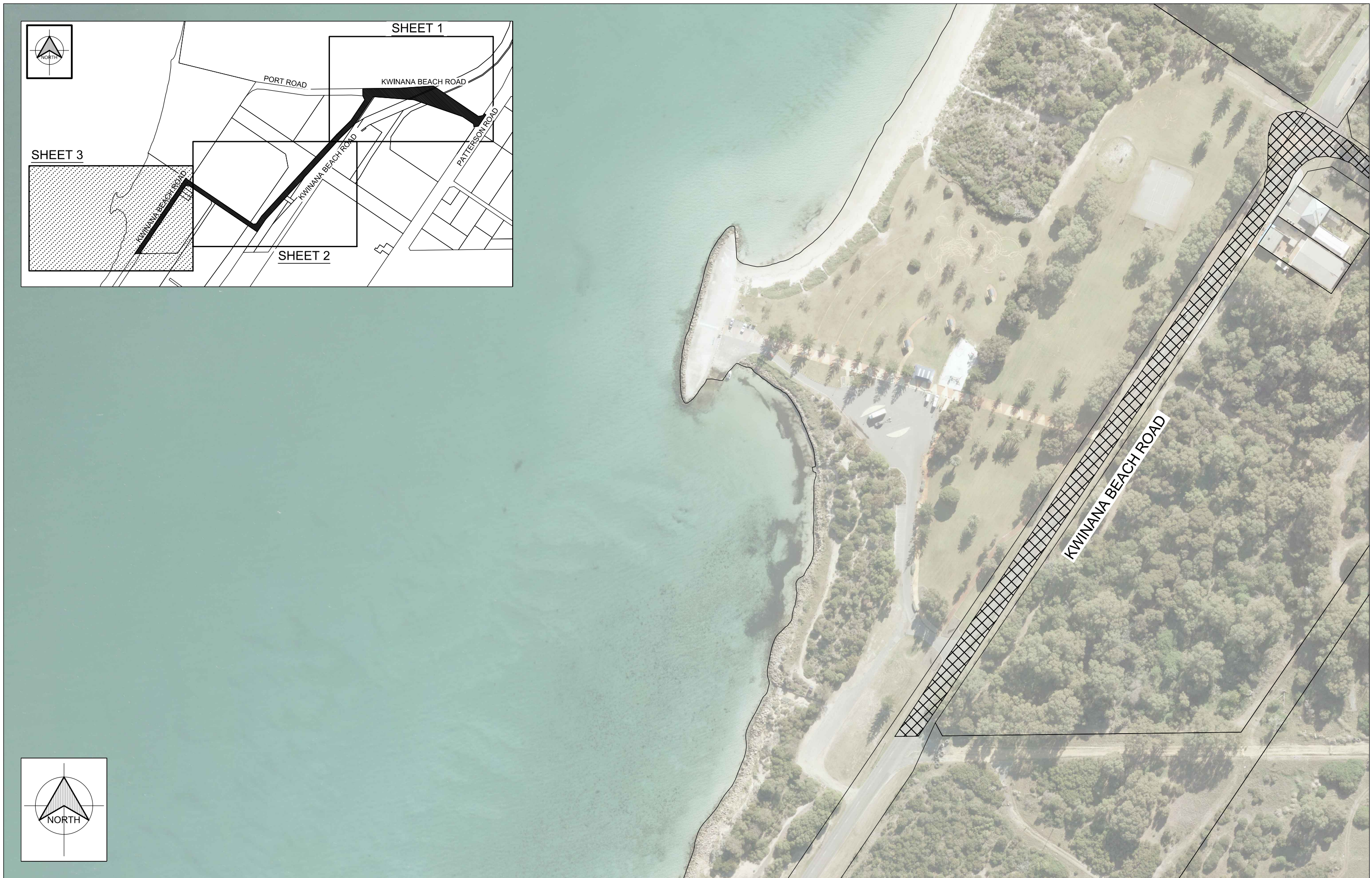
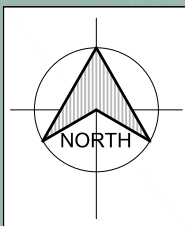


PORT ROAD

KWINANA BEACH ROAD

PATTERSON ROAD

SHEET 2



KWINANA BEACH ROAD

REV	DATE	DESCRIPTION	DRAWN
A	02/19	ISSUED FOR COMMENT	S.H

ASSOCIATE CONSULTANT:



PROJECT: KWINANA BEACH ROAD
 ROAD AREA TO BE TRANSFERRED TO MAIN ROADS
 ADDRESS: Cnr Gilmore Avenue and Sulphur Road, Kwinana WA 6167
 PHONE: (08) 9439 0200
 FAX: (08) 9439 0222
 EMAIL: admin@kwinana.wa.gov.au
 WEB: http://www.kwinana.wa.gov.au

SCALE 1:1000 (A3)
 DESIGN S.H CHECK R.N
 DRAWN S.H DATE 03/19
 AUTHORISED (MANAGER ENGINEERING SERVICES)
 R.NAJAFZADEH

DRAWING TITLE
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 SHEET 3 OF 3
 FILE NO. KWIN
 DRAWING NUMBER 19-000-01
 REVISION A

16 Reports - Civic Leadership

16.1 Monthly Financial Report February 2019

DECLARATION OF INTEREST:

There were no declarations of interest declared.

SUMMARY:

The Monthly Financial Report, which includes the Monthly Statement of Financial Activity and explanation of material variances, for the period ended 28 February 2019 has been prepared for Council acceptance.

OFFICER RECOMMENDATION:

That Council:

1. Accepts the Monthly Statements of Financial Activity for the period ended 28 February 2019, contained within Attachment A; and
2. Accepts the explanations for material variances for the period ended 28 February 2019, contained within Attachment A.

DISCUSSION:

The purpose of this report is to provide a monthly financial report, which includes rating, investment, reserve, debtor, and general financial information to Elected Members in accordance with Section 6.4 of the *Local Government Act 1995*.

The period of review is February 2019. The municipal surplus for this period is \$20,870,468 compared to a budget position of \$16,288,454. This is considered a satisfactory result for the City as the City is maintaining a healthy budget surplus position. Note the February Monthly Statement of Financial Activity is prepared prior to the annual Budget Review and does not include any recommendations that were adopted by Council at its 13 March 2019 Ordinary Council Meeting.

Income for the February 2019 period year to date is \$57,915,258. This is made up of \$54,812,928 in operating revenues and \$3,102,330 in non-operating grants, contributions and subsidies received. The budget estimated \$57,715,578 would be received for the same period. The variance to budget is \$199,680. Details of all significant variances are provided in the notes to the Monthly Financial Report contained within Attachment A.

Expenditure for the February 2019 period year to date is \$48,448,502. This is made up of \$45,061,730 in operating expenditure and \$3,386,772 in capital expenditure. The budget estimated \$55,831,813 would be spent for the same period. The variance to budget is \$7,383,311. Details of all significant variances are provided in the notes to the Monthly Financial Report contained within Attachment A.

16.1 MONTHLY FINANCIAL REPORT FEBRUARY 2019**LEGAL/POLICY IMPLICATIONS:**

Section 6.4 of the *Local Government Act 1995* requires a local government to prepare an annual financial statement for the preceding year and other financial reports as are prescribed.

Regulation 34 (1) of the *Local Government (Financial Management) Regulations 1996* as amended requires the local government to prepare monthly financial statements and report on actual performance against what was set out in the annual budget.

FINANCIAL/BUDGET IMPLICATIONS:

There are no financial implications relating to the preparation of the report. Any material variances that have an impact on the outcome of the budgeted closing surplus position are detailed in the Monthly Financial Report contained within Attachment A.

ASSET MANAGEMENT IMPLICATIONS:

There are no asset management implications associated with this report.

ENVIRONMENTAL IMPLICATIONS:

There are no environment implications associated with this report.

STRATEGIC/SOCIAL IMPLICATIONS:

This proposal will support the achievement of the following outcome and objective detailed in the Corporate Business Plan.

Plan	Outcome	Objective
Corporate Business Plan	Business Performance	5.4 Ensure the financial sustainability of the City of Kwinana into the future

COMMUNITY ENGAGEMENT:

There are no community engagement implications as a result of this report.

PUBLIC HEALTH IMPLICATIONS

There are no public health implications as a result of this report.

16.1 MONTHLY FINANCIAL REPORT FEBRUARY 2019

RISK IMPLICATIONS:

The risk implications in relation to this proposal are as follows:

Risk Event	Inadequate management of the City's provisions, revenues and expenditures.
Risk Theme	Failure to fulfil statutory regulations or compliance Providing inaccurate advice/information
Risk Effect/Impact	Financial Reputation Compliance
Risk Assessment Context	Operational
Consequence	Minor
Likelihood	Unlikely
Rating (before treatment)	Low
Risk Treatment in place	Reduce (mitigate the risk)
Response to risk treatment required/in place	Annual adoption of variance tolerances for reporting purposes.
Rating (after treatment)	Low

COUNCIL DECISION

435

MOVED CR S LEE**SECONDED CR M ROWSE**

That Council:

1. **Accepts the Monthly Statements of Financial Activity for the period ended 28 February 2019, contained within Attachment A; and**
2. **Accepts the explanations for material variances for the period ended 28 February 2019, contained within Attachment A.**

**CARRIED
6/0**



Monthly Financial Report

CITY OF KWINANA

MONTHLY FINANCIAL REPORT (Containing the Statement of Financial Activity) For the Period Ended 28 February 2019

LOCAL GOVERNMENT ACT 1995 LOCAL GOVERNMENT (FINANCIAL MANAGEMENT) REGULATIONS 1996

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CITY OF KWINANA
STATEMENT OF FINANCIAL ACTIVITY
(Statutory Reporting Program)
For the Period Ended 28 February 2019

	Note	Adopted Annual Budget	Current Annual Budget	YTD Budget (a)	YTD Actual (b)	Var. \$ (b)-(a)	Var. % (b)-(a)/(a)
		\$	\$	\$	\$	\$	%
Opening Funding Surplus(Deficit)	2	1,345,947	1,345,947	1,345,947	1,259,903	(86,044)	(6%)
Revenue from operating activities							
Governance		35,760	53,862	52,230	348,379	296,149	567%
General Purpose Funding - Rates	8	38,101,480	38,101,480	38,013,199	37,943,739	(69,460)	(0%)
General Purpose Funding - Other		4,477,650	4,477,650	3,023,221	2,238,258	(784,963)	(26%)
Law, Order and Public Safety		330,500	330,500	247,290	351,956	104,666	42%
Health		153,066	153,066	25,068	61,545	36,477	146%
Education and Welfare		7,168,961	7,209,461	4,765,500	4,920,447	154,947	3%
Community Amenities		5,534,442	5,534,442	5,255,792	5,403,205	147,413	3%
Recreation and Culture		2,999,818	3,002,518	2,006,570	2,128,145	121,575	6%
Transport		179,611	179,611	174,611	235,912	61,301	35%
Economic Services		1,280,762	1,280,762	882,201	825,622	(56,579)	(6%)
Other Property and Services		1,364,646	1,364,646	877,244	355,720	(521,524)	(59%)
		61,626,696	61,687,998	55,322,926	54,812,928	(509,998)	(1%)
Expenditure from operating activities							
Governance		(2,596,800)	(2,619,595)	(1,940,268)	(3,768,640)	(1,828,372)	(94%)
General Purpose Funding		(790,130)	(790,130)	(508,671)	(436,600)	72,071	14%
Law, Order and Public Safety		(3,369,960)	(3,401,521)	(2,218,163)	(1,992,313)	225,850	10%
Health		(950,887)	(944,777)	(607,553)	(539,429)	68,124	11%
Education and Welfare		(11,379,613)	(11,657,775)	(7,773,802)	(7,305,840)	467,962	6%
Community Amenities		(10,248,550)	(10,275,616)	(6,651,135)	(5,450,576)	1,200,559	18%
Recreation and Culture		(22,098,138)	(22,264,585)	(14,931,777)	(13,679,451)	1,252,326	8%
Transport		(15,431,921)	(15,941,070)	(10,463,381)	(9,142,261)	1,321,120	13%
Economic Services		(1,861,358)	(1,859,656)	(1,233,582)	(922,809)	310,773	25%
Other Property and Services		(3,942,836)	(3,216,668)	(2,101,931)	(1,823,811)	278,120	13%
		(72,670,193)	(72,971,393)	(48,430,263)	(45,061,730)	3,368,533	7%
Operating activities excluded from budget							
Add back Depreciation		13,672,393	13,672,393	9,114,968	9,492,607	377,639	4%
Adjust (Profit)/Loss on Asset Disposal	7	189,040	189,040	0	105,313	105,313	
Movement in deferred pensioner rates		0	0	0	35,355	35,355	
Amount attributable to operating activities		2,817,936	2,578,038	16,007,631	19,384,472	3,376,841	21%
Investing Activities							
Non-operating Grants, Subsidies and Contributions		4,285,605	4,285,605	2,392,652	3,242,337	849,685	(36%)
Proceeds from Disposal of Assets	7	423,500	425,200	353,200	309,985	(43,215)	12%
Recognition of Local Government House Trust		0	0	0	(122,620)		
Reimbursement of Developer Contributions		0	0	0	(140,007)	(140,007)	
Land and Buildings	11	(4,937,050)	(4,792,675)	(1,093,945)	(559,855)	534,090	49%
Plant, Furniture and Equipment	11	(2,458,200)	(2,459,900)	(881,200)	(707,357)	173,843	20%
Infrastructure Assets - Roads	11	(3,000,084)	(3,025,084)	(2,116,331)	(1,352,760)	763,571	36%
Infrastructure Assets - Parks and Reserves	11	(1,869,669)	(1,892,396)	(537,822)	(296,776)	241,046	45%
Infrastructure Assets - Footpaths	11	(193,560)	(205,560)	(205,560)	(201,490)	4,070	2%
Infrastructure Assets - Drainage	11	(2,339,323)	(2,339,323)	(2,251,906)	(101,208)	2,150,698	96%
Infrastructure Assets - Street Lighting	11	(394,272)	(297,272)	(287,786)	(22,858)	264,928	92%
Infrastructure Assets - Bus Shelters	11	(20,000)	(20,000)	(20,000)	(15,836)	4,164	21%
Infrastructure Assets - Car Parks	11	0	(7,000)	(7,000)	(6,012)	988	14%
Amount attributable to investing activities		(10,503,053)	(10,328,405)	(4,655,698)	25,543	4,681,241	(101%)
Financing Activities							
Proceeds from New Debentures	9	2,268,000	2,268,000	0	0	0	0%
Self-Supporting Loan Principal		16,168	16,168	10,776	12,093	1,317	12%
Transfer from Reserves	6	9,499,275	9,649,275	4,839,852	1,671,485	(3,168,367)	(65%)
Repayment of Debentures	9	(777,133)	(777,133)	(322,554)	(383,106)	(60,552)	19%
Transfer to Reserves	6	(4,667,140)	(4,727,140)	(937,500)	(1,099,922)	(162,422)	(17%)
Amount attributable to financing activities		6,339,170	6,429,170	3,590,574	200,550	(3,390,024)	(94%)
Closing Funding Surplus(Deficit)	2	0	24,750	16,288,454	20,870,468	4,582,014	28%

This statement is to be read in conjunction with the accompanying Financial Statements and notes. All material variances are discussed in Note 1.

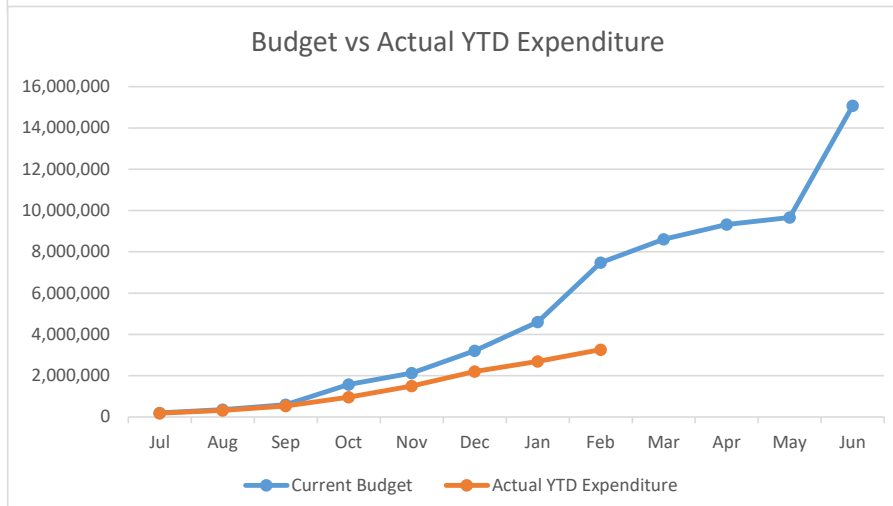
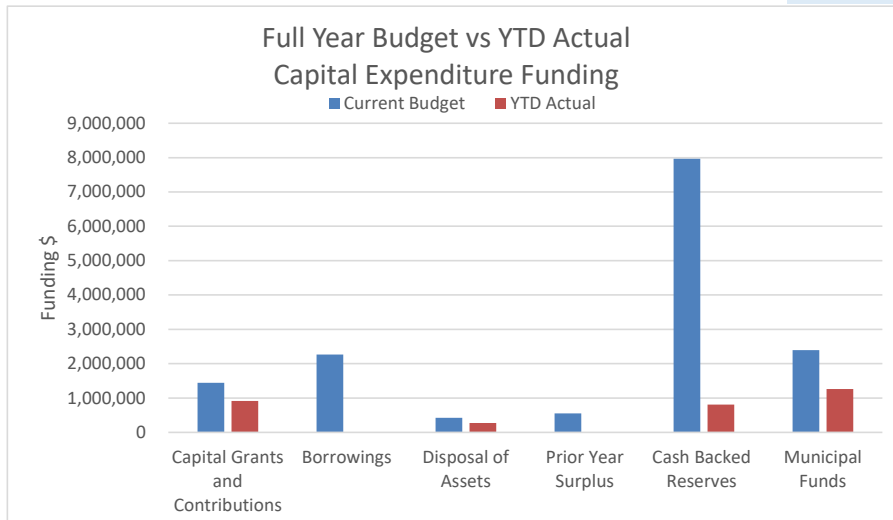
CITY OF KWINANA
STATEMENT OF FINANCIAL ACTIVITY
(By Nature or Type)
For the Period Ended 28 February 2019

	Note	Adopted Annual Budget	Current Annual Budget	YTD Budget (a)	YTD Actual (b)	Var. \$ (b)-(a)	Var. % (b)-(a)/(a)
		\$	\$	\$	\$	\$	%
Opening Funding Surplus (Deficit)	2	1,345,947	1,345,947	1,345,947	1,259,903	(86,044)	(6%)
Revenue from operating activities							
Rates	8	38,101,480	38,101,480	38,013,199	37,943,739	(69,460)	(0%)
Operating Grants, Subsidies and Contributions		7,639,227	7,682,427	5,139,785	5,061,900	(77,885)	(2%)
Fees and Charges		11,694,484	11,694,484	9,389,715	9,568,701	178,986	2%
Interest Earnings		2,690,500	2,690,500	1,818,754	1,361,325	(457,429)	(25%)
Other Revenue		1,489,873	1,507,975	961,473	871,307	(90,166)	(9%)
Profit on Disposal of Assets	7	11,132	11,132	0	5,957	5,957	
		61,626,696	61,687,998	55,322,926	54,812,928	(509,998)	(1%)
Expenditure from operating activities							
Employee Costs		(28,625,503)	(28,334,303)	(18,722,464)	(17,496,534)	1,225,930	7%
Materials and Contracts		(26,006,185)	(26,598,585)	(17,880,351)	(15,226,772)	2,653,579	15%
Utility Charges		(2,361,417)	(2,361,417)	(1,482,355)	(1,594,944)	(112,589)	(8%)
Depreciation on Non-Current Assets		(13,672,393)	(13,672,393)	(9,114,968)	(9,492,607)	(377,639)	(4%)
Interest Expenses		(1,111,762)	(1,111,762)	(561,028)	(528,949)	32,079	6%
Insurance Expenses		(570,108)	(570,108)	(570,108)	(586,896)	(16,788)	(3%)
Other Expenditure		(122,653)	(122,653)	(98,989)	(23,759)	75,230	76%
Loss on Disposal of Assets	7	(200,172)	(200,172)	0	(111,269)	(111,269)	
		(72,670,193)	(72,971,393)	(48,430,263)	(45,061,730)	3,368,533	7%
Operating activities excluded from budget							
Add back Depreciation		13,672,393	13,672,393	9,114,968	9,492,607	377,639	4%
Adjust (Profit)/Loss on Asset Disposal	7	189,040	189,040	0	105,313	105,313	
Movement in deferred pensioner rates		0	0	0	35,355	35,355	
Amount attributable to operating activities		2,817,936	2,578,038	16,007,631	19,384,472	3,376,841	21%
Investing activities							
Grants, Subsidies and Contributions		4,285,605	4,285,605	2,392,652	3,242,337	849,685	(36%)
Proceeds from Disposal of Assets	7	423,500	425,200	353,200	309,985	(43,215)	12%
Recognition of Local Government House Trust		0	0	0	(122,620)		
Reimbursement of Developer Contributions		0	0	0	(140,007)	(140,007)	
Land and Buildings	11	(4,937,050)	(4,792,675)	(1,093,945)	(559,855)	534,090	49%
Plant, Furniture and Equipment	11	(2,458,200)	(2,459,900)	(881,200)	(707,357)	173,843	20%
Infrastructure Assets - Roads	11	(3,000,084)	(3,025,084)	(2,116,331)	(1,352,760)	763,571	36%
Infrastructure Assets - Parks and Reserves	11	(1,869,669)	(1,892,396)	(537,822)	(296,776)	241,046	45%
Infrastructure Assets - Footpaths	11	(193,560)	(205,560)	(205,560)	(201,490)	4,070	2%
Infrastructure Assets - Drainage	11	(2,339,323)	(2,339,323)	(2,251,906)	(101,208)	2,150,698	96%
Infrastructure Assets - Street Lighting	11	(394,272)	(297,272)	(287,786)	(22,858)	264,928	92%
Infrastructure Assets - Bus Shelters	11	(20,000)	(20,000)	(20,000)	(15,836)	4,164	21%
Infrastructure Assets - Car Parks	11	0	(7,000)	(7,000)	(6,012)	988	14%
Amount attributable to investing activities		(10,503,053)	(10,328,405)	(4,655,698)	25,543	4,681,241	(101%)
Financing Activities							
Proceeds from New Debentures	9	2,268,000	2,268,000	0	0	0	
Self-Supporting Loan Principal		16,168	16,168	10,776	12,093	1,317	12%
Transfer from Reserves	6	9,499,275	9,649,275	4,839,852	1,671,485	(3,168,367)	(65%)
Repayment of Debentures	9	(777,133)	(777,133)	(322,554)	(383,106)	(60,552)	19%
Transfer to Reserves	6	(4,667,140)	(4,727,140)	(937,500)	(1,099,922)	(162,422)	(17%)
Amount attributable to financing activities		6,339,170	6,429,170	3,590,574	200,550	(3,390,024)	(94%)
Closing Funding Surplus (Deficit)	2	0	24,750	16,288,454	20,870,468	4,582,014	28%

This statement is to be read in conjunction with the accompanying Financial Statements and notes. All material variances are discussed in Note 1.

CITY OF KWINANA
STATEMENT OF CAPITAL ACQUISITIONS AND CAPITAL FUNDING
For the Period Ended 28 February 2019

Capital Acquisitions	Note	Adopted Annual Budget	Current Annual Budget	YTD Budget (a)	YTD Actual Total (b)	Variance (a) - (b)
		\$	\$	\$	\$	\$
Land and Buildings	11	4,937,050	4,792,675	1,093,945	559,855	534,090
Plant, Furniture and Equipment	11	2,458,200	2,459,900	881,200	707,357	173,843
Infrastructure Assets - Roads	11	3,000,084	3,025,084	2,116,331	1,352,760	763,571
Infrastructure Assets - Parks and Reserves	11	1,869,669	1,892,396	537,822	296,776	241,046
Infrastructure Assets - Footpaths	11	193,560	205,560	205,560	201,490	4,070
Infrastructure Assets - Drainage	11	2,339,323	2,339,323	2,251,906	101,208	2,150,698
Infrastructure Assets - Street Lighting	11	394,272	297,272	287,786	22,858	264,928
Infrastructure Assets - Bus Shelters	11	20,000	20,000	20,000	15,836	4,164
Infrastructure Assets - Car Parks	11	0	7,000	7,000	6,012	988
Capital Expenditure Totals		15,212,158	15,039,210	7,401,550	3,264,152	4,137,398
Capital acquisitions funded by:						
Capital Grants and Contributions		1,423,989	1,442,091	961,844	918,185	43,659
Borrowings		2,268,000	2,268,000	0	0	0
Disposal of Assets		423,500	423,500	309,985	274,890	35,095
Prior Year Surplus		550,934	550,934	0	0	0
Cash Backed Reserves		8,133,427	7,962,677	0	809,230	(809,230)
Municipal Funds		2,412,308	2,392,008	6,129,721	1,261,847	4,867,874
Capital Funding Total		15,212,158	15,039,210	7,401,550	3,264,152	4,137,398



CITY OF KWINANA
NOTES TO THE STATEMENT OF FINANCIAL ACTIVITY
For the Period Ended 28 February 2019

Note 1: Explanation of Operating Revenue and Expenditure Material Variances by Nature and Type

The material variance thresholds are adopted annually by Council as an indicator of whether the actual expenditure or revenue varies from the year to date budget materially.

The material variance adopted by Council for the 2018/19 year is the greater of \$50,000 or 5%.

Nature and Type Category	Var. \$	Var. %	Var.	Timing/ Permanent	Explanation of Variance
Operating Revenues					
Rates	(69,460)	(0%)		No Material Variance	
Operating Grants, Subsidies and Contributions	(77,885)	(2%)		No Material Variance	
Fees and Charges	178,986	2%		No Material Variance	
Interest Earnings	(457,429)	(25%)	M	Permanent	Budget will be decreased with adoption of Budget Review. Less interest to be received this financial year due to the maturity of some deposits due next financial year and the reversal of accrued interest from 17/18. The investments note (Note 3) shows the redemption date, interest rate and forecast interest revenue.
Other Revenue	(90,166)	(9%)	M	Permanent	The Engineering capital project management fee will be reduced as part of Budget Review.
Profit on Disposal of Assets	5,957			No Material Variance	
Operating Expense					
Employee Costs	1,225,930	7%	M	Permanent	Savings due to vacancies - Budget to be reduced as part of the Budget Review.
Materials and Contracts	2,653,579	15%	M	Timing	Costs have predominantly been budgeted to be spent over 12 months. Each month, a number of invoices are not received until after period end processing has finished, resulting in the expenditure reported in these statements not reflecting the actual cost in the month the expense was incurred. City Officers are looking at ways to improve reporting and ensure that these costs are captured in line with when the works are completed.
Utility Charges	(112,589)	(8%)	M	Permanent	As part of the Budget Review, the utilities budget will be increased to cover the increase in street lighting charges.
Depreciation on Non-Current Assets	(377,639)	(4%)		No Material Variance	
Interest Expenses	32,079	6%		No Material Variance	
Insurance Expenses	(16,788)	(3%)		No Material Variance	
Other Expenditure	75,230	76%	M	Timing	Timing variance due to the City contribution to Wellard Village agreement not payable to date.
Loss on Disposal of Assets	(111,269)	0%	M	Timing	Vehicles were budgeted to be disposed of later in the year.

CITY OF KWINANA
NOTES TO THE STATEMENT OF FINANCIAL ACTIVITY
For the Period Ended 28 February 2019

Note 1: Explanation of Operating Revenue and Expenditure Material Variances by Nature and Type

The material variance thresholds are adopted annually by Council as an indicator of whether the actual expenditure or revenue varies from the year to date budget materially.

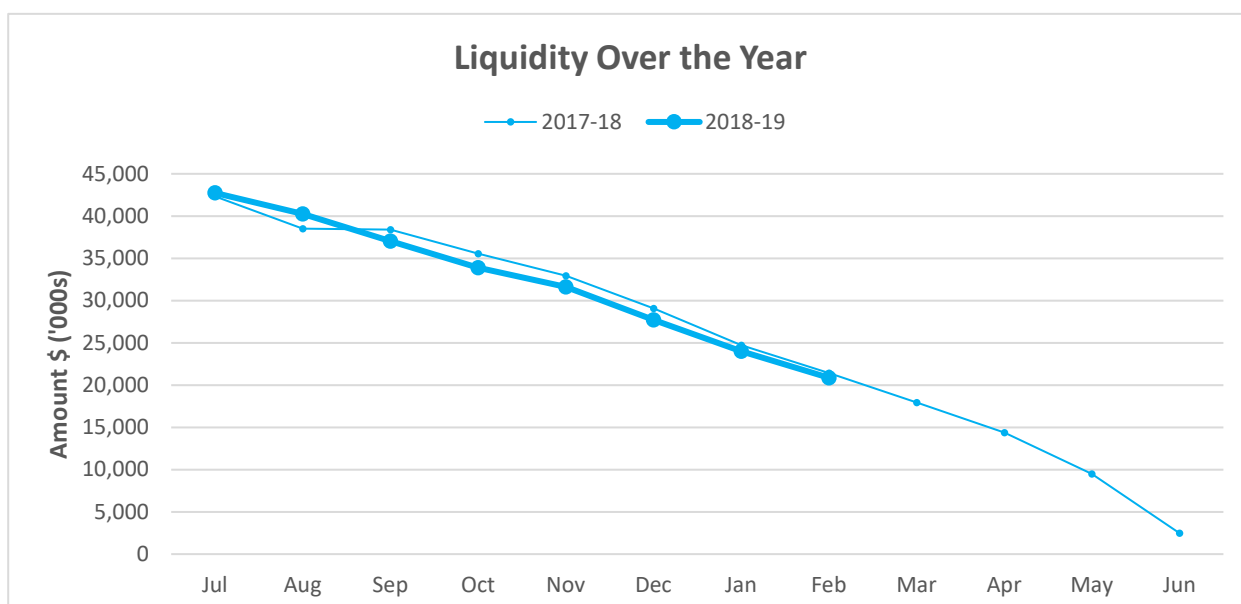
The material variance adopted by Council for the 2018/19 year is the greater of \$50,000 or 5%.

Nature and Type Category	Var. \$	Var. %	Var.	Timing/ Permanent	Explanation of Variance
Capital Revenues					
Grants, Subsidies and Contributions	849,685	(36%)	M	Timing	The timing of contributions are difficult to estimate due to the unknown timing of subdivisions.
Proceeds from Disposal of Assets	(43,215)	12%		No Material Variance	
Capital Expenses					
Land and Buildings	534,090	49%	M	Timing	Works have begun on the budgeted projects, with funds committed through purchase orders. Matching of expenditure to budget will occur once invoices have been received from suppliers, approved and processed.
Plant, Furniture & Equipment	173,843	20%	M	Timing	Purchase of major plant has been pushed back to March.
Infrastructure - Roads	763,571	36%	M	Timing	Works have begun on the budgeted projects, with funds committed through purchase orders. Matching of expenditure to budget will occur once invoices have been received from suppliers, approved and processed.
Infrastructure Assets - Parks and Reserves	241,046	45%	M	Timing	Works have begun on the budgeted projects, with funds committed through purchase orders. Matching of expenditure to budget will occur once invoices have been received from suppliers, approved and processed.
Infrastructure Assets - Footpaths	4,070	2%		No Material Variance	
Infrastructure Assets - Drainage	2,150,698	96%	M	Timing	DCA 2 - Peel Sub Drain projects have been deferred to June 2016
Infrastructure Assets - Street Lighting	264,928	92%	M	Timing	Latitude 32 and McWhirter Promenade projects delayed until March / April.
Infrastructure Assets - Bus Shelters	4,164	21%		No Material Variance	
Infrastructure Assets - Car Parks	988	14%		No Material Variance	
Financing					
Proceeds from New Debentures	0	0%		No Material Variance	
Proceeds from Advances	0	0%		No Material Variance	
Self-Supporting Loan Principal	1,317	12%		No Material Variance	
Transfer from Reserves	(3,168,367)	(65%)	M	Timing	Reconciliation of Reserves and subsequent transfers will be conducted during the Budget Review process.
Advances to Community Groups	0	0%		No Material Variance	
Repayment of Debentures	(60,552)	19%		No Material Variance	
Transfer to Reserves	(162,422)	(17%)	M	Timing	Reconciliation of Reserves and subsequent transfers will be conducted during the Budget Review process.

CITY OF KWINANA
NOTES TO THE STATEMENT OF FINANCIAL ACTIVITY
For the Period Ended 28 February 2019

Note 2: Net Current Funding Position

		Last Years Closing	This Time Last Year	Current
	Note	30 Jun 2018	28 Feb 2018	28 Feb 2019
		\$	\$	\$
Current Assets				
Cash Unrestricted		21,137	13,467,595	11,112,888
Cash Restricted - Reserves	6	52,875,771	50,563,746	52,304,208
Receivables - Rates	5(a)	3,597,121	9,023,710	10,872,713
Receivables - Sundry Debtors	5(b)	720,635	581,125	754,057
Other Current Assets		411,656	168,115	921,340
Accrued Income		491,927	0	0
Inventories		34,180	36,050	30,268
		58,152,427	73,840,341	75,995,475
Less: Current Liabilities		(4,016,753)	(1,857,019)	(2,820,799)
Less: Cash Reserves	6	(52,875,771)	(50,563,746)	(52,304,208)
Net Current Funding Position - Surplus/(Deficit)		1,259,903	21,419,576	20,870,468



CITY OF KWINANA
NOTES TO THE STATEMENT OF FINANCIAL ACTIVITY
For the Period Ended 28 February 2019

Note 3(a): Cash and Investments

	Total Amount	Interest Rate	Calculated Interest Earnings	Institution	S&P Rating	Deposit Date	Maturity Date	Term Days
	\$	%	\$					
CBA Municipal Bank Account	2,123,557	Variable	N/A	CBA	AA	N/A	N/A	N/A
CBA Trust Bank Account	2,121,771	Variable	N/A	CBA	AA	N/A	N/A	N/A
Cash On Hand - Petty Cash	4,770	N/A	N/A	PC	N/A	N/A	N/A	N/A
Sub-total Cash Deposits	4,250,098							
(b) Term Deposits - Investments								
BEN - TD2716903	2,000,000	2.75%	48,671	BEN	A	22/08/2018	11/07/2019	323
BWA - TD4749321	2,000,000	2.75%	40,534	BWA	AA	28/08/2018	24/05/2019	269
BWA - TD4749322	2,000,000	2.75%	48,822	BWA	AA	28/08/2018	18/07/2019	324
BEN - TD2737116	4,000,000	2.68%	80,180	BEN	A	11/09/2018	11/06/2019	273
NAB - TD33-629-1673	2,000,000	2.70%	38,318	NAB	AA	11/09/2018	28/05/2019	259
Sub-total - Term Deposits - Investments	12,000,000		256,525					
Reserve Funds Investments (Cash Backed Reserves)								
Aged Persons Units Reserve - TD36-866-8236	757,873	2.67%	6,652.67	NAB	AA	1/11/2018	1/03/2019	120
Asset Management Reserve - TD36-842-8945	508,854	2.67%	4,466.76	NAB	AA	1/11/2018	1/03/2019	120
Asset Replacement Reserve - TD42-972-1062	507,731	2.69%	4,490.29	NAB	AA	5/11/2018	5/03/2019	120
Banksia Park DMF Reserve - TD42-997-1790	116,973	2.69%	1,035.64	NAB	AA	5/11/2018	5/03/2019	120
Community Services & Emergency Relief Reserve - TD43-069-3230	87,329	2.69%	772.16	NAB	AA	5/11/2018	5/03/2019	120
CLAG Reserve - TD43-083-2341	269,329	2.69%	2,381.90	NAB	AA	5/11/2018	5/03/2019	120
Workers Compensation Reserve - TD69-136-9789	342,502	2.69%	3,029.04	NAB	AA	7/11/2018	7/03/2019	120
Settlement Agreement Reserve - TD68-951-1678	162,101	2.69%	1,433.59	NAB	AA	7/11/2018	7/03/2019	120
Infrastructure Reserve - TD68-832-2429	342,204	2.69%	3,026.56	NAB	AA	7/11/2018	7/03/2019	120
Golf Course Cottage Reserve - TD68-730-8350	28,401	2.69%	251.17	NAB	AA	7/11/2018	7/03/2019	120
Future Community Infrastructure Reserve - Deal 10589749	1,404,648	2.74%	12,969.71	NAB	AA	14/12/2018	16/04/2019	123
Family Day Care Reserve - Deal 10589753	1,509,408	2.74%	13,937.01	NAB	AA	14/12/2018	16/04/2019	123
Employee Leave Reserve - TD44-453-4644	2,077,584	2.65%	45,402.32	NAB	AA	27/08/2018	24/06/2019	301
Employee Leave Reserve - TD76-099-7157	2,090,308	2.65%	45,528.64	NAB	AA	28/08/2018	24/06/2019	300
Refuse Reserve - TD80-618-4101	2,232,687	2.60%	28,945.41	NAB	AA	28/02/2019	29/08/2019	182
Refuse Reserve - TD 4809491	3,224,544	2.50%	40,196.37	BWA	AA	28/02/2019	29/08/2019	182
Refuse Reserve - DEAL 4777912	587,216	2.65%	5,116.02	BWA	AA	21/11/2018	21/03/2019	120
Information Technology Reserve - DEAL 4777913	1,908,187	2.65%	16,624.76	BWA	AA	21/11/2018	21/03/2019	120
City Assist Initiative Reserve - DEAL 4777920	102,083	2.65%	889.38	BWA	AA	21/11/2018	21/03/2019	120
Youth Engagement Strategy Reserve - DEAL 4777921	147,943	2.65%	1,288.93	BWA	AA	21/11/2018	21/03/2019	120
Sub-total - Term Deposits - (Cash Backed Reserves)	18,407,907		238,438					
Reserve Funds Investments (Developer Contributions)								
DCA - 1 Hard Infrastructure - Bertram - TDB35732709.104	1,917,350	2.65%	16,705	CBA	AA	20/11/2018	20/03/2019	120
DCA - 2 Hard Infrastructure - Wellard - TD2807424	1,904,661	2.55%	15,968	BEN	A	21/11/2018	21/03/2019	120
DCA 5 - Hard Infrastructure - Wandl - GMI-Deal-10583862	1,322,659	2.69%	11,697	NAB	AA	26/11/2018	26/03/2019	120
DCA - 7 Hard Infrastructure - Mandogalup (West) - Deal 10589754	11,889	2.74%	110	NAB	AA	14/12/2018	16/04/2019	123
DCA - 9 Soft Infrastructure - Wandl/Anketell - DMI-DEAL-10608237	11,667,615	2.60%	151,263	NAB	AA	26/02/2019	27/08/2019	182
DCA - 10 Soft Infrastructure - Casuarina/Anketell - Deal 10589755	229,914	2.74%	2,123	NAB	AA	14/12/2018	16/04/2019	123
DCA - 11 Soft Infrastructure - Wellard East - TDB35732709.106	6,027,299	2.65%	52,512	CBA	AA	20/11/2018	20/03/2019	120
DCA - 12 Soft Infrastructure - Wellard West - (Awaiting TD confirmation)	6,838,948	2.50%	84,784	BEN	AA	28/02/2019	28/08/2019	181
DCA - 13 Soft Infrastructure - Bertram - Deal 10589756	287,144	2.74%	2,651	NAB	AA	14/12/2018	16/04/2019	123
DCA - 14 Soft Infrastructure - Wellard/Leda - Deal 10589757	512,315	2.74%	4,730	NAB	AA	14/12/2018	16/04/2019	123
DCA - 15 Soft Infrastructure - Townsite - Deal 10589758	161,068	2.74%	1,487	NAB	AA	14/12/2018	16/04/2019	123
Sub-total - Reserve Funds Investments (Developer Contributions)	30,880,862		344,031					
Total	65,538,867		838,994					
Less Trust Bank	(2,121,771)							
Total Municipal Controlled Funds	63,417,096		838,994					

CITY OF KWINANA
NOTES TO THE STATEMENT OF FINANCIAL ACTIVITY
For the Period Ended 28 February 2019

Note 3(b): Cash and Investments - Compliance with Investment Policy

Portfolio Credit Risk	Funds Held	Actual at Period End	Limit per Policy	
AAA & Bendigo Bank Kwinana Community Branch	7,904,661	6%	100%	✓
AA	57,629,437	94%	100%	✓
A	-	0%	60%	✓
BBB	-	0%	20%	✓
Unrated	-	-	20%	✓

Counterparty Credit Risk	Funds Held	Actual at Period End	Limit per Policy	
BEN (AAA)	7,904,661	6%	45%	✓
BWA (AA)	16,808,921	29%	45%	✓
CBA (AA)	12,189,978	24%	45%	✓
NAB (AA)	28,630,538	41%	45%	✓

Comments - Investment Policy Compliance

The City's investments are invested in line with Council Policy - Investments. The above tables exclude the total of petty cash (\$4,770) held by the City.

Interest received on the City's investments year to date is \$707,037

5.5.1 Portfolio Credit Framework

To control the credit quality on the investment portfolio, the following credit framework limits the percentage of the portfolio exposed to any particular credit rating category.

S&P Long Term Rating	S&P Short Term Rating	Direct Investment Maximum for category %
AAA and Bendigo Bank Kwinana Community Branch	A-1+ and Bendigo Bank Kwinana Community Branch	100%
AA	A-1+	100%
A	A-1	60%
BBB	A-2	20%

If any of the investments within the portfolio are subject to a credit rating downgrade such that the portfolio credit percentages are no longer compliant with the Investment Policy, or there is a review of this policy, the investment will be divested as soon as practicable.

5.5.2 Counterparty Credit Framework

Exposure to an individual counterparty/institution will be restricted by its credit rating so that single entity exposure is limited, as detailed in the table below:

S&P Long Term Rating	S&P Short Term Rating	Direct Investment Maximum for category %
AAA and Bendigo Bank Kwinana Community Branch	A-1+ and Bendigo Bank Kwinana Community Branch	45%
AA	A-1+	45%
A	A-1	25%
BBB	A-2	10%

If any of the investments within the portfolio are subject to a credit rating downgrade such that the portfolio credit percentages are no longer compliant with the Investment Policy, or there is a review of this policy, the investment will be divested as soon as practicable.

CITY OF KWINANA
NOTES TO THE STATEMENT OF FINANCIAL ACTIVITY
For the Period Ended 28 February 2019

Note 4: Budget Amendments

GL Code	Description	Increase / (Decrease) to Net Surplus Position	Amended Budget Surplus / (Deficit)
		\$	\$
27/06/2018 Annual Budget Adoption			
Items not requiring Council Approval as per OCM 27/06/2018 Council Decision 210			
Grant received from Children's Book Council of Australia to cover fees of authors, illustrators and storytellers			
400104.1106.60	Library - Op Exp - Advertising and Promotions	(1,200)	
300018.1297.15	Library - Op Rev - Library Contributions	1,200	
		0	0
Transfer Library software expenditure from IT budget to Library budget			
400761.2020.64	Computing Infrastructure - Corporate Applications	(12,000)	
400104.1124.60	Library - Computer Services	12,000	
		0	0
Transfer program income and expenditure to be managed by the Recquatic			
400275.2034.60	Recquatic operating expenditure - Senior Sational	(3,000)	
400275.2035.60	Recquatic operating expenditure - Active Women	(3,000)	
300234.2034.30	Recquatic operating income - Senior Sational	1,550	
300234.2035.30	Recquatic operating income - Active Women	1,550	
400094.1600.60	CDO Recreation & Leisure operating expenditure - Senior Sational	3,000	
400094.1600.60	CDO Recreation & Leisure operating expenditure - Active Women	3,000	
300158.1600.30	CDO Recreation & Leisure operating income - Senior Sational	(1,550)	
300158.1600.30	CDO Recreation & Leisure operating income - Active Women	(1,550)	
		0	0
Transfer funds to miscellaneous expendible equipment to Community Centres Admin budget			
400708.1144.60	Community Centres Admin - Expendable Equipment	(4,000)	
400733.1144.60	Bertram Community Centre - Expendable Equipment	1,000	
400731.1144.60	Darius Community Centre - Expendable Equipment	2,000	
400732.1144.60	Wellard Community Centre - Expendable Equipment	1,000	
		0	0
Temporary employment of City Legal Officer to assist the City Legal Team with tasks and projects			
400008.1210.61	Operating Expense – GSS Contract Salaries	(25,000)	
400512.1031.50	Operating Expense – Governance Salaries	25,000	
		0	0
Good Things Foundation granted funds to assistance with the Get Online Week as part of the City's involvement with the Be Connected program.			
400104.1106.60	Operating Expense – Library Advertising & Promotions	(1,500)	
300018.1297.15	Operating Income – Library Contributions & Donations	1,500	
		0	0
To cover the cost of fixed term Community Development Officer			
400067.1210.61	Operating Expense – Community Services Admin Contract Salaries	(27,200)	
400092.1031.50	Operating Expense – CDO Recreation & Leisure Salaries	27,200	
		0	0
To provide account for Environment Services to allocate legal expenses sought on development and sand mining issues. Funds available from Consultancy budget due to reduction of expected costs for Street Tree Data project.			
400439.1177.60	Operating Expense - Natural Environment Legal Expenses	(8,000)	
400439.1125.60	Operating Expense - Natural Environment Consultancy	8,000	
		0	0

CITY OF KWINANA
NOTES TO THE STATEMENT OF FINANCIAL ACTIVITY
For the Period Ended 28 February 2019

Note 4: Budget Amendments

GL Code	Description	Increase / (Decrease) to Net Surplus Position	Amended Budget Surplus / (Deficit)
Increase scope of Fire Notice project to include public notice, printing of leaflet and information letter, and postage to residents.			
400503.1220.60	Operating Expense - Fire and Emergency Stationery	(23,500)	
400053.1106.60	Operating Expense - Governance Advertising and Promotion	23,500	
		0	0
<u>Items approved by Council falling outside Council Decision 210</u>			
08/08/2018 Additional funds required for the completion of DCA 13 Local Sporting Ground with Community Sports Facility			
		(150,000)	
600019.1002.60	Capital expenditure - DCA 13 Local Sporting Ground with Community Sports Facility		
700013.1917.06	Transfer from reserve - Future Community Infrastructure Reserve	150,000	
		0	0
22/08/2018 Capital projects funded in 2017/18 that were not finalised, requiring funds to be carried forward to 2018/19.			
600023.1565.60	Capital expenditure - Kwinana Tennis Courts fencing	(22,727)	
600008.1568.60	Capital expenditure - Medina Oval bitumenise entrance and carpark	(7,000)	
600015.1002.60	Capital expenditure - Building Contingency	29,727	
		0	0
12/09/2018 Transfer of Aged Person Units and Banksia Park capital works to operating maintenance for items that are under the threshold for asset capitalisation, including transfer from capital to operating reserves.			
400644.1600.60	Operating Expense – Aged Persons Unit Maintenance Program	(192,750)	
600067.1002.60	Capital Expense – Aged Persons Unit Building Renewals	192,750	
700074.1014.06	Reserve Transfer – Aged Persons Unit Operating	192,750	
700072.1014.06	Reserve Transfer – Aged Persons Unit Capital	(192,750)	
400643.1600.60	Operating Expense – Banksia Park Maintenance Program	(90,000)	
600068.1002.60	Capital Expense – Banksia Park Building Renewals	90,000	
700071.1016.06	Reserve Transfer – Banksia Park Operating	90,000	
700073.1786.06	Reserve Transfer – Banksia Park Capital	(90,000)	
		0	0
12/09/2018 Aboriginal Resource Worker funding from the Department of Education and Training, and My Time funding from Ngala had not been confirmed at the time of the Budget 2018/2019 preparation. This funding has now been confirmed and the expenditure budgets are required to be applied. The additional cost of the Aboriginal Resource Worker program is proposed to be funded from a reduction in Family Day Care general employee expenditure.			
400654.1031.50	Employee Expense - Family Day Care Aboriginal Resource - Salaries	(26,369)	
400654.1035.50	Employee Expense - Family Day Care Aboriginal Resource - Superannuation	(3,164)	
400655.1126.60	Operating Expense - Family Day Care Aboriginal Resource - Consumables	(4,500)	
400655.1195.60	Operating Expense - Family Day Care Aboriginal Resource – Other Expenses	(3,500)	
400655.1210.61	Operating Expense - Family Day Care Aboriginal Resource – Salaries Contract	(2,000)	
400655.1226.60	Operating Expense - Family Day Care Aboriginal Resource - Telephone	(450)	
400655.1826.60	Operating Expense - Family Day Care Aboriginal Resource – Travel FDC Van	(4,300)	
400656.1037.51	Operating Expense - FDC Aboriginal Resource - Workers Compensation Premium	(527)	
400656.1038.51	Employee Expense Other - Family Day Care Aboriginal Resource – Training Staff	(1,000)	
400311.1031.50	Employee Expense - Family Day Care General - Salaries	26,369	
400311.1035.50	Employee Expense - Family Day Care General - Superannuation	3,164	
400312.1037.51	Operating Expense - Family Day Care General - Workers Compensation Premium	527	
300210.1362.15	Operating Revenue - Family Day Care Aboriginal Resource - Operational Subsidy	30,500	
300210.1841.15	Operating Revenue - FDC Aboriginal Resource - NGALA My Time Funding	10,000	
		24,750	24,750

CITY OF KWINANA
NOTES TO THE STATEMENT OF FINANCIAL ACTIVITY
For the Period Ended 28 February 2019

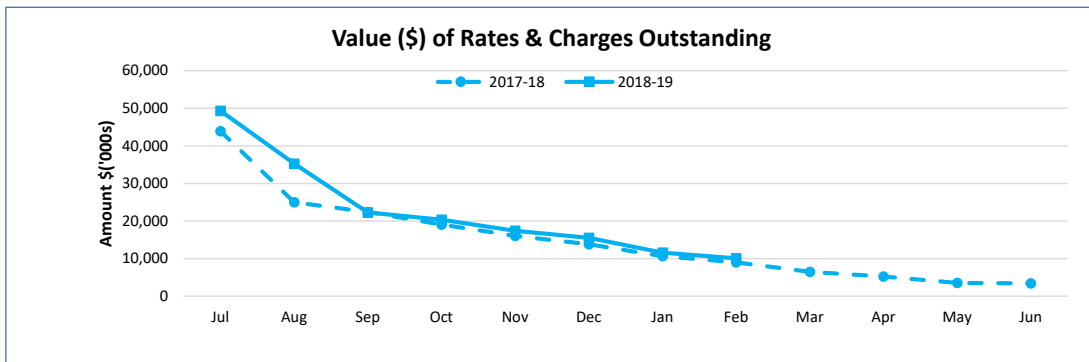
Note 4: Budget Amendments

GL Code	Description	Increase / (Decrease) to Net Surplus Position	Amended Budget Surplus / (Deficit)
26/09/2018 Funds are required for the replacement of nine reverse cycle air conditioner unit/motors at the Library including the installation of manholes to enable servicing of units. It is proposed that the funds for the project is transferred from the capital contingency budget allocation under Building Construction.			
600019.1002.60	Capital Expense – Buildings – Library air conditioning motor replacement	(31,000)	
600015.1002.60	Capital Expense – Buildings – Building contingency	31,000	
		0	24,750
14/11/2018 Additional funds required to complete the Orelia Oval project. The additional funds will be provided from the Medina Oval Lighting project budget as the tender quote was lower than originally budgeted.			
600008.1568.60	Capital Expense - Reserve Development - Orelia Oval Steps	(20,000)	
600008.1568.60	Capital Expense - Reserve Development - Medina Oval Lighting	20,000	
		0	24,750
14/11/2018 Additional funds required to complete custom fit out for Building Services vehicle. Additional funds provided by excess sale proceeds of 1EWS395.			
600013.1000.60	Capital Expense - Transportation Vehicles - Plant Replacement of KWN1983	(11,700)	
600011.1000.60	Capital Expense - Transportation Vehicles - Plant Replacement of 1EWS395	10,000	
500007.1488.05	Capital Revenue - Transportation Vehicles - Sale of 1EWS395	1,700	
		0	24,750
05/12/2018 City contribution towards the upgrade and relocation of the nutrient stripping basin located between Lot 670 Bertram Road and Peel Main Drain. Project commencing July 2019.			
600007.1567.60	Capital Expense - Street Lighting - Johnson / McWhirter	40,000	
600007.1567.60	Capital Expense - Street Lighting - Latitude 32	20,000	
700022.1813.06	Reserve Transfer - Restricted Grants & Contributions	(60,000)	
		0	24,750
05/12/2018 Increase to scope of works for Duckpond Road Reseal. Funded from expected savings from the Latitude 32 Street Lighting project.			
600007.1561.60	Capital Expense - Duckpond Road Reseal	(25,000)	
600007.1567.60	Capital Expense - Street Lighting - Latitude 32	25,000	
		0	24,750
05/12/2018 Increase to scope of works for Walgreen footpath construction to include soak wells and retaining.			
600007.1562.60	Capital Expense - Footpath Construction - Walgreen Crescent	(12,000)	
600007.1567.60	Capital Expense - Street Lighting - Latitude 32	12,000	
		0	24,750
05/12/2018 Noise level testing of Ken Jackman Hall has indicated that the extent of works for the soundproofing needs to increase.			
600019.1002.60	Building Renewals - Soundproof Drainage Ken Jackman Hall	(4,000)	
600017.1002.60	Building Renewals - Kwinana Senior Citizens Centre	4,000	
		0	24,750
13/02/2019 Transfer of STC's in lieu of payment for solar panel installation			
600019.1002.60	Building Construction - Solar Panels upgrade	(18,102)	
300009.1364.22	Operating Expense - Governance - Other Reimbursements	18,102	
		0	0
Amended Budget Surplus / (Deficit)			24,750

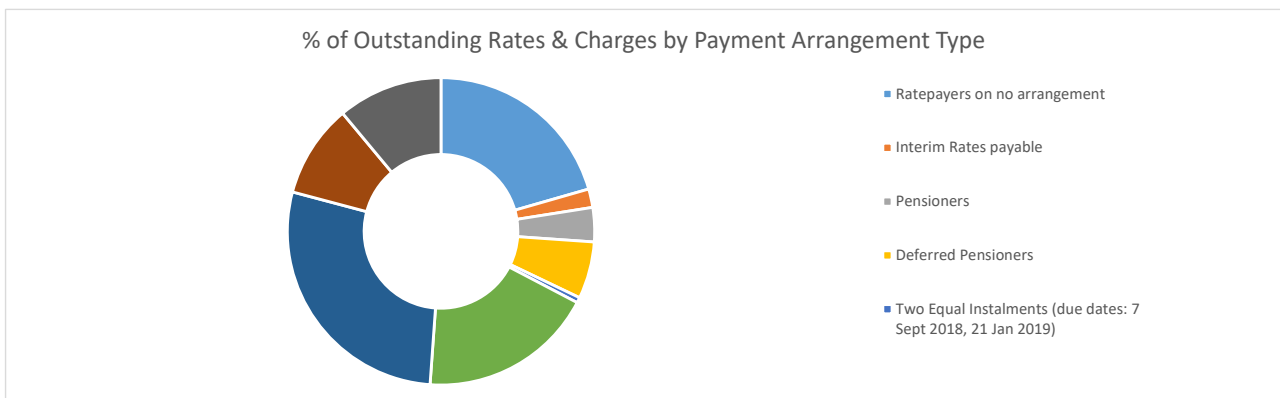
CITY OF KWINANA
NOTES TO THE STATEMENT OF FINANCIAL ACTIVITY
For the Period Ended 28 February 2019

Note 5(a): Receivables - Rates & Charges

Receivables - Rates & Charges Receivable	30 June 2018	28 Feb 2018	28 Feb 2019
	\$		\$
Opening Arrears Previous Years	3,360,788	3,505,395	4,275,903
Levied this year	46,715,340	46,805,927	49,512,732
<u>Less</u> Collections to date	(45,056,420)	(40,543,807)	(42,272,496)
<u>Less</u> Excess Rates received	(743,805)	(743,805)	(799,399)
Rates & Charges Collectable	4,275,903	9,023,710	10,716,741
Less Pensioner Deferred Rates	(678,782)	(598,153)	(643,427)
Net Rates & Charges Collectable	3,597,121	8,425,557	10,073,314
% Outstanding	7.70%	18.00%	20.34%



Outstanding Rates & Charges by Payment Arrangement Type	Number of Assessments	Balance Outstanding	
		\$	%
Ratepayers on no arrangement	855	2,203,063	20.56%
Interim Rates payable	367	208,234	1.94%
Pensioners	245	385,984	3.60%
Deferred Pensioners	209	643,427	6.00%
Two Equal Instalments (due dates: 7 Sept 2018, 21 Jan 2019)	1195	60,747	0.57%
Four Equal Instalments (due dates: 7 Sept 2018, 9 Nov 2018, 21 Jan 2019, 25 Mar 2019)	3605	1,978,737	18.46%
Fortnightly Direct Debit	3659	3,000,143	27.99%
Weekly Direct Debit	1242	1,051,762	9.81%
Other Arrangement	207	1,184,643	11.05%
		10,716,741	100.00%



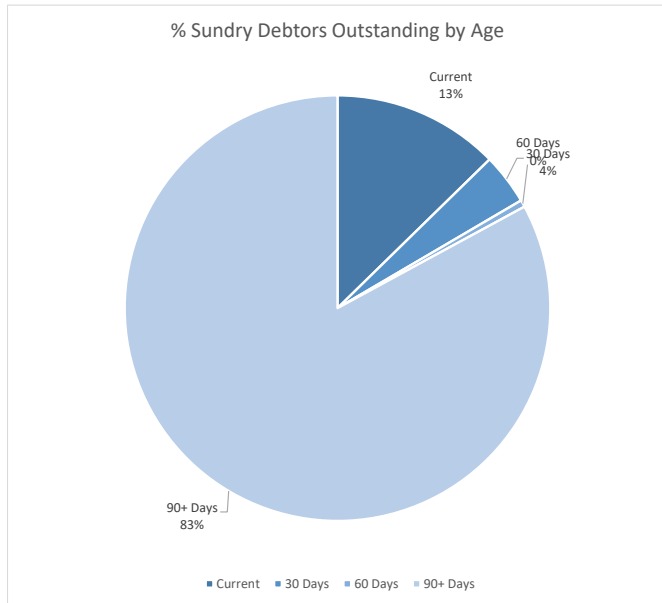
CITY OF KWINANA
NOTES TO THE STATEMENT OF FINANCIAL ACTIVITY
For the Period Ended 28 February 2019

Note 5(b): Receivables - General

Receivables - General

	Current	30 Days	60 Days	90+ Days	Total
	\$	\$	\$	\$	\$
Sundry Debtors	75,327	23,056	3,137	492,693	594,213
Infringements Register					159,844
Total Receivables General Outstanding					754,057

Amounts shown above include GST (where applicable)



Sundry Debtors Outstanding Over 90 Days Exceeding \$1,000

Debtor #	Description	Status	\$
Debts with Fines Enforcement Registry (FER)			
1825.07	Prosecution Local Law Fencing	Registered with FER. Payments are being received.	2,318
2442.07	Prosecution Dog Act 1976	Registered with FER. No payments received.	5,732
2535.07	Prosecution Dog Act 1976	Registered with FER. Warrant of Commitment issued and time served. Report to be prepared for Council recommending write off.	6,444
2726.07	Prosecution Planning and Development Act 2005	Registered with FER. Warrant of Commitment issued and time served. Report to be prepared for Council recommending write off.	20,171
3321.07	Prosecution and Infringement Dog Act 1976	Registered with FER. Regular fortnightly payments.	2,035
3485.07	Prosecution Food Act 2008	Registered with FER. Enforcement warrant has been issued. Currently with debt collection agency.	13,524
3909.07	Prosecution Local Government Act 1995	Registered with FER.	3,652
3936.07	Prosecution Building Act 2011 and Planning and Development Act 2005	Registered with FER. Regular fortnightly payments.	7,352
3953.07	Prosecution Local Law Urban Environment Nuisance - Disrepair Vehicle	Registered with FER. Regular fortnightly payments.	2,104
4060.07	Prosecution Littering Act 1979	Payment Arrangement by direct debit fortnightly.	1,862
4131.07	Prosecution Dog Act 1976 Dangerous Dog	Registered with FER. Debtor is making payments to FER. City yet to receive payments due to quantum of fines outstanding.	4,654
4233.07	Prosecution Local Law Fencing	Registered with FER.	2,500
4274.07	Prosecution Dog Act 1976	Registered with FER.	9,247
4275.07	Prosecution Local Law Urban Environment Nuisance - Disrepair Vehicle	Registered with FER.	14,350
Other Sundry Debtors			
303.04	Lease Structural Maintenance Fee / Loan Repayments	Formal payment arrangement in place, debt to be cleared by June 2019.	15,680
854.04	Lease Arrears Rent and Outgoings	Balance of outgoings to be paid upon review of Audited Statements.	23,349
897.04	Deed of Settlement	Payment arrangement in accordance with Settlement Deed, ends June 2019.	75,000
1512.11	Maintenance Fee	Outstanding amount to be cleared on settlement.	1,770
2864.07	Rugby hire & tenancy costs	Debtors recovery policy being applied.	2,285
3418.04	Facility / Community Centre hire fees	Payment arrangement in place as of 14 November 2018.	1,911
3884.03	Local Government Act 1995 abandoned vehicle	Payment arrangement currently receiving regular fortnightly payments.	1,635
3922.03	Local Government Act 1995 verge clean up works	Collection attempts unsuccessful. Debt has been linked to property.	1,090
3951.06	Developer Contributions	Payment Arrangement in accordance with Deed of Agreement.	3,786
4162.04	Facility / Community Centre hire fees	Collection attempts unsuccessful to date. Further consideration of Debt to be discussed.	2,068
4311.06	Developer Contributions	Debtors recovery policy being applied.	239,782
4312.06	Developer Contributions	Debtors recovery policy being applied.	21,719
Total Debtors 90+ days > \$1,000			486,020

CITY OF KWINANA
NOTES TO THE STATEMENT OF FINANCIAL ACTIVITY
For the Period Ended 28 February 2019

Note 6: Cash Backed Reserves

Reserve	Adopted Budget				Current Budget				Actual					Variance
	Opening Balance	Transfers In (incl Interest (+))	Transfers Out (-)	Closing Balance	Opening Balance	Transfers In (incl Interest (+))	Transfers Out (-)	Current Budget Closing Balance	Opening Balance	Actual Transfers In (+)	Interest Earned (+)	Transfers Out (-)	YTD Closing Balance	Actual vs Current Budget
	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
Municipal Reserves														
Aged Persons Units Reserve	765,541	308,844	(232,750)	841,635	765,541	308,844	(232,750)	841,635	748,728	0	9,145	0	757,873	(83,763)
Asset Management Reserve	501,595	8,721	(180,000)	330,316	501,595	8,721	(180,000)	330,316	501,595	0	7,258	(19,955)	488,898	158,583
Asset Replacement Reserve	748,122	263,007	(351,200)	659,929	748,122	263,007	(351,200)	659,929	498,123	250,000	9,609	(30,927)	726,805	66,876
Banksia Park Reserve	134,175	2,333	(49,738)	86,769	134,175	2,333	(49,738)	86,769	115,626	0	1,345	0	116,971	30,202
City Assist Initiative Reserve	100,401	1,743	(102,144)	(0)	100,401	1,743	(102,144)	(0)	100,401	0	1,682	(10,218)	91,865	91,865
Community Services & Emergency Relief Reserve	84,017	1,461	0	85,478	84,017	1,461	0	85,478	84,017	0	3,312	0	87,329	1,851
Contiguous Local Authorities Group Reserve	263,146	14,575	(20,000)	257,721	263,146	14,575	(20,000)	257,721	265,873	15,810	3,456	(2,740)	282,399	24,678
Employee Leave Reserve	4,119,629	71,623	(300,000)	3,891,252	4,119,629	71,623	(300,000)	3,891,252	4,231,590	0	7,263	0	4,238,853	347,601
Family Day Care Reserve	1,479,306	25,719	(805,560)	699,465	1,479,306	25,719	(805,560)	699,465	1,462,302	0	9,460	0	1,471,762	772,297
Future Community Infrastructure Reserve	1,538,389	26,746	(663,284)	901,851	1,538,389	26,746	(813,284)	751,851	1,381,900	0	10,516	(276,991)	1,115,425	363,574
Golf Course Cottage Reserve	28,033	487	0	28,520	28,033	487	0	28,520	28,033	0	368	0	28,401	(119)
Information Technology Reserve	1,890,703	32,871	(1,416,000)	507,574	1,890,703	32,871	(1,416,000)	507,574	1,890,703	0	17,484	0	1,908,187	1,400,613
Infrastructure Reserve	339,968	5,911	0	345,879	339,968	5,911	0	345,879	339,968	0	2,236	0	342,204	(3,675)
Refuse Reserve	8,698,885	180,697	(83,880)	8,795,702	8,698,885	180,697	(83,880)	8,795,702	8,736,657	0	100,344	0	8,837,001	41,299
Restricted Grants & Contributions Reserve	1,694,812	0	(1,694,812)	0	1,694,812	60,000	(1,694,812)	60,000	2,491,721	0	0	(1,238,980)	1,252,741	1,192,741
Settlement Agreement Reserve	160,000	2,782	0	162,782	160,000	2,782	0	162,782	160,000	0	2,101	0	162,101	(681)
Workers Compensation Reserve	330,200	5,741	0	335,941	330,200	5,741	0	335,941	338,710	0	3,792	0	342,502	6,561
Youth Engagement Reserve	130,412	2,264	(132,676)	0	130,412	2,264	(132,676)	0	144,650	0	3,292	(91,674)	56,267	56,267
Sub-Total Municipal Reserves	23,007,334	955,524	(6,032,043.9)	17,930,814	23,007,334	1,015,524	(6,182,044)	17,840,814	23,520,597	265,810	192,663	(1,671,485)	22,307,585	4,466,771
Developer Contribution Reserves														
DCA 1 - Hard Infrastructure - Bertram	1,851,461	182,424	(491,817)	1,542,068	1,851,461	182,424	(491,817)	1,542,068	1,887,550	115,473	29,801	0	2,032,824	490,756
DCA 2 - Hard Infrastructure - Wellard	1,772,974	429,946	(2,197,177)	5,743	1,772,974	429,946	(2,197,177)	5,743	1,877,524	0	27,137	0	1,904,661	1,898,918
DCA 4 - Hard Infrastructure - Anketell	0	0	0	0	0	0	0	0	0	0	0	0	0	0
DCA 5 - Hard Infrastructure - Wandii	1,286,174	661,998	(454,627)	1,493,545	1,286,174	661,998	(454,627)	1,493,545	1,309,322	0	13,337	0	1,322,659	(170,886)
DCA 7 - Hard Infrastructure - Mandogalup West	11,803	14,077	(159)	25,720	11,803	14,077	(159)	25,720	11,713	0	175	0	11,888	(13,832)
DCA 8 - Soft Infrastructure - Mandogalup	0	0	0	0	0	0	0	0	0	0	0	0	0	0
DCA 9 - Soft Infrastructure - Wandii/Anketell	10,446,476	576,997	(141,136)	10,882,338	10,446,476	576,997	(141,136)	10,882,338	10,487,573	0	201,211	0	10,688,784	(193,554)
DCA 10 - Soft Infrastructure - Casuarina/Anketell	229,412	246,696	(3,099)	473,009	229,412	246,696	(3,099)	473,009	227,912	0	2,002	0	229,914	(243,094)
DCA 11 - Soft Infrastructure - Wellard East	5,734,336	1,081,744	(77,473)	6,738,607	5,734,336	1,081,744	(77,473)	6,738,607	5,944,904	0	82,395	0	6,027,299	(711,308)
DCA 12 - Soft Infrastructure - Wellard West	6,622,131	355,217	(89,468)	6,887,880	6,622,131	355,217	(89,468)	6,887,880	6,663,351	0	154,714	0	6,818,065	(69,815)
DCA 13 - Soft Infrastructure - Bertram	283,730	8,356	(3,833)	288,252	283,730	8,356	(3,833)	288,252	282,230	0	4,914	0	287,144	(1,108)
DCA 14 - Soft Infrastructure - Wellard/Leda	480,660	130,374	(6,494)	604,540	480,660	130,374	(6,494)	604,540	504,779	0	7,537	0	512,316	(92,224)
DCA 15 - Soft Infrastructure - City Site	144,189	23,788	(1,948)	166,029	144,189	23,788	(1,948)	166,029	158,316	0	2,752	0	161,068	(4,961)
Sub-Total Developer Contribution Reserves	28,863,346	3,711,616	(3,467,231)	29,107,731	28,863,346	3,711,616	(3,467,231)	29,107,731	29,355,174	115,473	525,976	0	29,996,623	888,892
Total Reserves	51,870,680	4,667,140	(9,499,275)	47,038,545	51,870,680	4,727,140	(9,649,275)	46,948,545	52,875,771	381,283	718,639	(1,671,485)	52,304,208	5,355,663

CITY OF KWINANA
NOTES TO THE STATEMENT OF FINANCIAL ACTIVITY
For the Period Ended 28 February 2019

Note 7: Disposal of Assets

Asset Number	Asset Description	YTD Actual				Budget			
		Net Book Value	Proceeds	Profit	(Loss)	Net Book Value	Proceeds	Profit	(Loss)
		\$	\$	\$	\$	\$	\$	\$	\$
Motor Vehicles									
5061	Plant Replacement - P402	20,000	20,509	509		19,875	14,000		(5,875)
5060	Plant Replacement - P403	20,000	21,645	1,645		19,875	14,000		(5,875)
5080	Plant Replacement - P407	19,097	14,373		(4,724)	19,111	8,000		(11,111)
5597	Plant Replacement - P435	21,934	23,464	1,529		22,222	24,000	1,778	
5705	Plant Replacement - P445					20,979	13,000		(7,979)
5876	Plant Replacement - P457					16,275	12,000		(4,275)
5859	Plant Replacement - P460	29,045	19,600		(9,445)	29,111	18,000		(11,111)
5884	Plant Replacement - P461					18,645	23,000	4,355	
5871	Plant Replacement - P464	21,475	11,645		(9,830)	21,750	23,000	1,250	
5838	Plant Replacement - P465	22,860	15,736		(7,124)	24,659	9,700		(14,959)
5809	Plant Replacement - P467	26,600	23,009		(3,591)	26,583	24,000		(2,583)
5872	Plant Replacement - P462	23,020	16,191		(6,829)	23,208	13,000		(10,208)
5983	Plant Replacement - P490	18,413	15,736		(2,677)	18,601	13,500		(5,101)
5831	Plant Replacement - P455	26,313	23,009		(3,304)	26,584	24,000		(2,584)
5856	Plant Replacement - P459	28,967	20,509		(8,458)	29,111	23,000		(6,111)
5093	Plant Replacement - P406	18,000	13,236		(4,764)	17,750	7,000		(10,750)
5885	Plant Replacement - P463					23,208	13,000		(10,208)
5666	Plant Replacement - P437	21,467	10,509		(10,958)	21,500	8,000		(13,500)
Plant & Equipment									
2587	Plant Replacement Program - 7 X 4 Box Trailer with Water Tank and 5.5 Hp Pump - P148					0	1,000	1,000	
4957	Plant Replacement Program - Agrizzi Rota Slasher 72 inch - P413	0	2,273	2,273		0	1,000	1,000	
3974	Plant Replacement Program - Cat Skid Steer Loader - P347					25,600	20,000		(5,600)
3722	Plant Replacement Program - Hino 300 Series 816 Crew Cab Truck - Parks - P324					35,486	25,000		(10,486)
4083	Plant Replacement Program - Massey Ferguson Tractor - Parks - P354	49,748	30,000		(19,748)	51,333	30,000		(21,333)
3842	Plant Replacement Program - Mitsubishi Canter Tip Truck - Infra - P333					29,750	15,000		(14,750)
2819	Plant Replacement Program - Salloy Boxtop Trailer with Water Tank and Pump - P199					189	1,000	811	
3407	Plant Replacement Program - Disposal Only					20,540	12,000		(8,540)
3447	Plant Replacement Program - Disposal Only					4,062	5,000	938	
5646	Plant Replacement Program - KAP Ride on Mower with Catcher - replace P444	17,794	6,364		(11,430)	18,001	6,000		(12,001)
3481	P289 Tip Truck from 17/18	30,564	22,176		(8,388)	30,233	25,000		(5,233)
		415,297	309,985	5,957	(111,269)	614,239	425,200	11,132	(200,172)
	Net Profit/(Loss)				(105,313)				(189,040)

CITY OF KWINANA
NOTES TO THE STATEMENT OF FINANCIAL ACTIVITY
For the Period Ended 28 February 2019

Note 8: Rating Information	YTD Actual							Budget					
	Rate in	Number of Properties	Rateable Value	Rate Revenue	Interim Rates	Back Rates	Total Revenue	Number of Properties	Rateable Value	Rate Revenue	Interim Rate	Back Rate	Total Revenue
RATE TYPE	\$		\$	\$	\$	\$	\$		\$	\$	\$	\$	\$
Differential General Rate													
Gross Rental Value (GRV)													
Improved Residential	0.07999	13,747	238,950,796	18,859,093	312,117	11,467	19,182,677	13,549	235,768,136	18,859,093	529,676	-	19,388,769
Improved Special Residential	0.07120	815	19,436,231	1,372,308	11,504	(724)	1,383,088	807	19,273,991	1,372,308	-	-	1,372,308
Light Industrial and Commercial	0.09043	133	23,230,285	2,118,044	(4,248)	(2,340)	2,111,456	136	23,421,923	2,118,044	-	-	2,118,044
General Industry and Service Commercial	0.08647	319	35,313,111	3,074,926	(21,401)	(8,387)	3,045,138	320	35,560,611	3,074,926	-	-	3,074,926
Large Scale General Industry and Service Commercial	0.08909	47	47,549,186	4,178,852	57,305	37,854	4,274,011	46	46,905,960	4,178,852	-	-	4,178,852
Vacant Residential	0.16828	376	7,792,630	1,375,819	(52,071)	(3,207)	1,320,541	415	8,175,770	1,375,819	-	-	1,375,819
Vacant Non Residential	0.10304	35	2,422,880	235,692	12,378	0	248,070	33	2,287,380	235,692	-	-	235,692
Unimproved Value (UV)													
General Industrial	0.01759	3	121,200,000	2,131,908	0	0	2,131,908	3	121,200,000	2,131,908	-	-	2,131,908
Mining	0.00847	25	39,960,000	338,461	0	0	338,461	25	39,960,000	338,461	-	-	338,461
Urban/Urban Deferred	0.00505	143	242,241,000	1,241,497	(3,753)	(630)	1,237,114	143	245,841,000	1,241,497	-	-	1,241,497
Sub-Totals		15,643	778,096,119	34,926,600	311,831	34,033	35,272,464	15,477	778,394,771	34,926,600	529,676	-	35,456,276
Minimum Payment	\$												
Gross Rental Value (GRV)													
Improved Residential	\$1,036	1,438	1,658,878	1,481,480	5,878	1,056	1,488,414	1,430	16,916,772	1,481,480	-	-	1,481,480
Improved Special Residential	\$1,036	4	6,228	3,108	1,036	0	4,144	3	40,820	3,108	-	-	3,108
Light Industrial and Commercial	\$1,348	25	31,800	33,700	0	0	33,700	25	274,661	33,700	-	-	33,700
General Industry and Service Commercial	\$1,348	34	47,994	45,832	0	0	45,832	34	299,022	45,832	-	-	45,832
Large Scale General Industry and Service Commercial	\$1,348	0	0	0	0	0	-	0	-	-	-	-	-
Vacant Residential	\$1,036	904	923,572	992,488	6,676	452	999,616	958	4,987,503	992,488	-	-	992,488
Vacant Non Residential	\$1,036	2	0	2,072	0	0	2,072	2	4,320	2,072	-	-	2,072
Unimproved Value (UV)													
General Industrial	\$1,348	0	923,572	0	0	0	-	0	-	-	-	-	-
Mining	\$1,348	16	47,994	20,220	1,344	0	21,564	15	186,557	20,220	-	-	20,220
Rural	\$1,036	115	1,658,878	66,304	5,572	4,057	75,933	64	9,608,600	66,304	-	-	66,304
Sub-Totals		2,538	5,298,916	2,645,204	20,506	5,565	2,671,275	2,531	32,318,255	2,645,204	-	-	2,645,204
		18,181	783,395,035	37,571,804	332,337	39,598	37,943,739	18,008	810,713,026	37,571,804	529,676	-	38,101,480
Concession							-						-
Amount from General Rates							37,943,739						38,101,480
Ex-Gratia Rates							-						-
Specified Area Rates							-						-
Totals							37,943,739						38,101,480

CITY OF KWINANA
NOTES TO THE STATEMENT OF FINANCIAL ACTIVITY
For the Period Ended 28 February 2019

Note 9: Information on Borrowings

(a) Debenture Repayments

Particulars	01 Jul 2018	New Loans		Principal Repayments		Principal Outstanding		Interest Repayments	
		Actual	Current Budget	Actual	Current Budget	Actual	Current Budget	Actual	Current Budget
		\$		\$	\$	\$	\$	\$	\$
Governance									
Loan 99 - Administration Office Renovations	761,572	0	0	44,196	89,773	717,376	671,799	25,680	51,364
Loan 107 - Administration / Chambers Building Refurbishment	0	0	2,268,000	0	0	0	2,268,000	0	0
Education & Welfare									
Loan 96 - Youth Specific Space	147,840	0	0	12,449	25,366	135,391	122,474	5,689	11,654
Loan 100 - Youth Specific Space	1,521,312	0	0	60,551	122,515	1,460,761	1,398,797	39,497	79,645
Recreation and Culture									
Loan 94 - Wellard Sports Pavilion	204,825	0	0	22,879	46,488	181,946	158,337	5,197	13,704
Loan 95 - Orelia Oval Pavilion	354,815	0	0	29,876	60,878	324,939	293,937	13,653	27,970
Loan 97 - Orelia Oval Pavilion Extension	1,685,135	0	0	97,793	198,641	1,587,342	1,486,494	56,822	113,653
Loan 102 - Library & Resource Centre	7,421,567	0	0	0	0	7,421,567	7,421,567	188,041	386,720
Loan 104 - Recquatic Refurbishment	3,350,000	0	0	0	0	3,350,000	3,350,000	77,805	159,125
Loan 105 - Bertram Community Centre	1,296,840	0	0	0	0	1,296,840	1,296,840	24,991	50,827
Loan 106 - Destination Park - Calista	1,516,532	0	0	47,681	96,111	1,468,851	1,420,421	28,243	57,307
Transport									
Loan 98 - Streetscape Beautification	1,028,123	0	0	59,664	121,193	968,459	906,930	34,668	69,341
Loan 101 - City Centre Redevelopment	2,500,000	0	0	0	0	2,500,000	2,500,000	23,588	79,250
Self Supporting Loans									
Recreation and Culture									
Loan 103B - Golf Club Refurbishment	282,850	0	0	8,017	16,168	274,833	266,682	5,074	11,202
	22,071,411	0	2,268,000	383,106	777,133	21,688,305	23,562,278	528,949	1,111,762

(b) New Debentures

No new debentures were raised during the reporting period.

CITY OF KWINANA
NOTES TO THE STATEMENT OF FINANCIAL ACTIVITY
For the Period Ended 28 February 2019

Note 10: Trust Fund

Funds held at balance date over which the City has no control and which are not included in this statement are as follows:

Description	Opening Balance 01 Jul 2018	Amount Received	Amount Paid	Closing Balance 28 Feb 2019
	\$	\$	\$	\$
Hall Security Bonds	71,653	102,287	(109,636)	64,304
Footpath & Kerbing Security Deposits	410,680		(54,176)	356,504
Sports Forfeiture Security Deposits	200			200
Bus Hire Security Deposits	3,000	1,500	(1,500)	3,000
Demolition Security Deposits	2,351			2,351
Miscellaneous Deposits	82,423	395	(600)	82,218
Footpath Construction Bonds	2,000			2,000
Land Subdivision Bonds	588,211	61,261	(81,741)	567,732
Road Maintenance Bonds	293,234	52,637	(86,264)	259,607
Landscaping Subdivision Bonds	138,787		(1,197)	137,590
Mortimer Road - Community Trust	10,421			10,421
ATU Landscaping Bonds	2,378			2,378
Landscaping Development Bonds	64,477			64,477
Subdivision Handrails	15,395			15,395
APU Security Bonds	15,481		(470)	15,011
Off Road Vehicles	1,510			1,510
DCA Contingency Bonds	265,736			265,736
Contiguous Local Authorities Group (CLAG)	200			200
Retention Funds	37,524	25,818	(43,751)	19,591
City of Kwinana Staff Christmas Saver	0	51,486		51,486
Public Open Space Cash In Lieu	200,061			200,061
	2,205,722	295,384	(379,335)	2,121,771

CITY OF KWINANA
NOTES TO THE STATEMENT OF FINANCIAL ACTIVITY
For the Period Ended 28 February 2019

Note 11: Capital Acquisitions

Assets	Budget					Comment
	Total YTD Actual	Adopted Annual Budget	Current Annual Budget	YTD Budget	YTD Variance	
	\$	\$		\$	\$	
<i>Level of completion indicator, please see table at the end of this note for further detail.</i>						
Buildings						
Arts & Cultural Centre Upgrade - Stage 1 of 2	81,857	100,000	100,000	745	(81,112)	Construction in progress.
Automated Gates - Recquatic Front Counter	0	90,000	90,000	90,000	90,000	Project completion expected in June, budget disbursement amended in Budget Review.
Banksia Park Retirement Village Building Renewals	0	90,000	0	0	0	Budget variation to transfer funds to the operating budget approved by Council 12 September 2018.
Building Contingency	12,550	100,000	39,273	37,875	25,325	
Building Renewals - Darius Wells	30,080	25,000	25,000	29,000	(1,080)	Completed.
Building Renewals - Kwinana Senior Citizens Centre	0	100,000	100,000	0	0	Currently out to market, estimated completion date June 2019.
Building Renewals - Margaret Feilman	7,788	15,000	15,000	15,000	7,212	Completed. Remaining funds returned to Muni at Budget Review.
Building Renewals - Thomas Oval Netball Clubrooms	0	6,500	6,500	6,500	6,500	Construction estimated for March.
Building Renewals - Wheatfield Cottage	21,765	20,000	20,000	20,000	(1,765)	Completed.
Building Upgrades - CCTV Administration Building, Recquatic and Darius Wells Library and Resource Centre	14,336	100,000	100,000	75,000	60,664	CCTV to be purchased for Recquatic and Darius Wells Library and Resource Centre in March 2019, Administration Building by June 2019.
Building Upgrades - Medina	0	100,000	100,000	0	0	Awaiting confirmation of grant approval.
Callistemon Court Retirement Village Building Renewals	0	192,750	0	0	0	Budget variation to transfer funds to the operating budget approved by Council 12 September 2018.
DCA 12 - Local Sporting Ground with Community Centre / Pavilion - Wellard West	37,045	294,300	294,300	0	(37,045)	Construction delayed until 2020/21.
DCA 14 - Local Sporting Ground with Pavilion Extension (Wellard/Leda) storage room	102,519	261,484	261,484	261,484	158,965	Construction commenced.
DCA 9 - Local Sports Ground Clubroom (Clubroom construction cost)	12,292	107,500	107,500	0	(12,292)	Feasibility study due for completion end of February.
Solar Panels Upgrade	41,644	30,000	48,102	48,102	6,458	Budget variation to transfer STC's in lieu of payment for solar panel installation approved by Council 13 February 2019.
Administration Building & Civic Centre - Stage 1 of 2	0	2,268,000	2,268,000	0	0	Process to engage architect under way.
Callistemon Court Retirement Village Building Upgrade	0	40,000	40,000	0	0	Project completion expected in June, budget disbursement amended in Budget Review.
Entry Statement	2,112	18,000	18,000	723	(1,389)	Marketing signage project in March/April.
DCA 13 - Local Sporting Ground with Community Sports Facility Bertram Oval Ablution block	173,129	328,516	478,516	478,516	305,387	External works complete.
Family Daycare Building Replacement of Playroom, Kitchenette and Toy Library	0	650,000	650,000	0	0	Carry forward to 19/20 Budget.
Library - Replacement of Air Conditioners Motors	22,738	0	31,000	31,000	8,262	Works in progress.
Buildings Total	559,855	4,937,050	4,792,675	1,093,945	534,090	

CITY OF KWINANA
NOTES TO THE STATEMENT OF FINANCIAL ACTIVITY
For the Period Ended 28 February 2019

Note 11: Capital Acquisitions

Assets	Budget					Comment
	Total YTD Actual	Adopted Annual Budget	Current Annual Budget	YTD Budget	YTD Variance	
Plant, Furniture and Equipment						
Furniture and Equipment						
Design and Replacement of Mayoral Chains	0	10,000	10,000	0	0	Project completion expected in June, budget disbursement amended in Budget Review.
Computing Equipment						
City Website Redevelopment	26,933	70,000	70,000	37,500	10,567	Carry forward to 19/20 Budget.
Corporate Business System Renewal - Implementation	0	1,191,000	1,191,000	0	0	Project commencing in April 2019.
Self Check Touchscreen Computer & Workstation - Library	0	7,000	7,000	0	0	Carry forward to 19/20 Budget.
Matterport Pro 2 3D 360view camera	5,150	0	0	0	(5,150)	Purchase completed.
Plant and Equipment						
CFWD Disability Hoist - Recquatic	13,459	12,000	12,000	12,000	(1,459)	Work has been completed.
CWD Fixed Variable Notice Board	0	70,000	70,000	0	0	Carry forward to 19/20 Budget.
Plant Replacement Program - 7 X 4 Box Trailer with Water Tank and 5.5 Hp Pump - P148	0	7,000	7,000	0	0	Cancelled, budget to be removed in Budget Review.
Plant Replacement Program - Agrizzi Rota Slasher 72 inch - P413	7,136	9,000	9,000	9,000	1,864	Purchase completed.
Plant Replacement Program - Cat Skid Steer Loader - P347	0	90,000	90,000	90,000	90,000	Purchase of major plant has been pushed back to March.
Plant Replacement Program - Hino 300 Series 816 Crew Cab Truck - Parks - P324	0	80,000	80,000	0	0	
Plant Replacement Program - Massey Ferguson Tractor - Parks - P354	78,172	85,000	85,000	85,000	6,828	Purchase completed.
Plant Replacement Program - Mitsubishi Canter Tip Truck - Infra - P333	0	120,000	120,000	0	0	
Plant Replacement Program - Salloy Boxtop Trailer with Water Tank and Pump - P199	0	7,000	7,000	0	0	Cancelled, budget to be removed in Budget Review.
Plant Replacement Program - Toro Ground Master Ride on Mower - Capital Maintenance - P499	0	7,000	7,000	0	0	Cancelled, budget to be removed in Budget Review.
Plant Replacement Program - Toro Rear Discharge Ride on Mower - P500	0	7,000	7,000	0	0	Cancelled, budget to be removed in Budget Review.
Plant Replacement Program - KAP Ride on Mower with Catcher - replace P444	37,291	38,200	38,200	38,200	909	Purchase completed.
Motor Vehicles						
Plant Replacement - P402 - KWN1961	38,521	37,500	37,500	37,500	(1,021)	Purchase completed.
Plant Replacement - P403 - KWN1960	38,071	37,500	37,500	37,500	(571)	Purchase completed.
Plant Replacement - P406 - KWN1898	28,884	28,500	28,500	28,500	(384)	Purchase completed.
Plant Replacement - P407 - KWN1949	28,884	28,500	28,500	28,500	(384)	Purchase completed.
Plant Replacement - P435 - KWN1957	33,882	33,500	33,500	33,500	(382)	Purchase completed.
Plant Replacement - P437 - KWN1993	24,518	25,000	25,000	25,000	482	Purchase completed.
Plant Replacement - P445 - KWN1983	38,768	28,500	40,200	0	(38,768)	Purchase completed.
Plant Replacement - P455 - KWN1987	24,304	25,000	25,000	25,000	696	Purchase completed.
Plant Replacement - P457 - 1EXX509	0	41,500	41,500	41,500	41,500	
Plant Replacement - P459 - 1EWW253	36,380	41,500	41,500	41,500	5,120	Purchase completed.
Plant Replacement - P460 - 1EWW269	38,127	41,500	41,500	41,500	3,373	Purchase completed.
Plant Replacement - P461 - 1EXX886	0	41,500	41,500	41,500	41,500	Purchase no longer required in 2019.
Plant Replacement - P462 - 1EWO612	24,335	25,000	25,000	25,000	665	Purchase completed.
Plant Replacement - P463 - 1GBJ678	38,591	41,500	41,500	41,500	2,909	Purchase completed.
Plant Replacement - P464 - 1EXM745	35,053	41,500	41,500	41,500	6,447	Purchase completed.
Plant Replacement - P465 - 1EWS395	40,319	53,500	43,500	43,500	3,181	Purchase completed.
Plant Replacement - P467 - KWN1984	33,424	35,000	35,000	35,000	1,576	Purchase completed.
Plant Replacement - P490 - 1GCH844	37,155	41,500	41,500	41,500	4,345	Purchase completed.
Plant , Furniture and Equipment Total	707,357	2,458,200	2,459,900	881,200	173,843	

CITY OF KWINANA
NOTES TO THE STATEMENT OF FINANCIAL ACTIVITY
For the Period Ended 28 February 2019

Note 11: Capital Acquisitions

Assets	Budget					Comment
	Total YTD Actual	Adopted Annual Budget	Current Annual Budget	YTD Budget	YTD Variance	
Park and Reserves						
▄ Bore - Current Condition 5 Cubicle & Pump Replacement Program	15,455	75,000	75,000	20,095	4,640	
▄ Bore - Renewal / Replacement	0	105,000	105,000	0	0	Bulk of work to be completed after irrigation season.
▄ CFWD Family Daycare Play Equipment and Landscaping	0	101,569	101,569	0	0	Carry forward to 19/20 Budget.
▄ Fencing Replacement Program	16,771	57,000	57,000	0	(16,771)	Further works scheduled in April and May 2019.
▄ KIA Street Tree Planting Program (B)	0	75,000	75,000	0	0	Designs are completed, works are due to commence in May.
▄ Kwinana Loop Trail	0	80,000	80,000	0	0	
▄ CFWD Medina Oval Lighting	164,760	300,000	300,000	300,000	135,240	In progress, expected completion date in March 2019 once Western Power has connected the power.
▄ Parks and Reserves Renewals - Kwinana Adventure Park	36,481	40,000	40,000	40,000	3,519	Awaiting outstanding invoices.
▄ Pimlico Crescent Maintenance (F)	23,358	110,000	110,000	50,000	26,643	Quotes to be obtained and design due to be finalised.
▄ Public Open Space Playgrounds Renewals - Exercise Equipment/Sport	1,660	5,000	5,000	2,500	840	Expected completion in May 2019.
▄ Public Open Space Playgrounds Renewals - Goal Post Renewal	0	5,000	5,000	2,500	2,500	Expected completion in May 2019.
▄ Public Open Space Playgrounds Renewals - Oval/Courts/Lights	0	8,000	8,000	0	0	Expected completion in May 2019.
▄ Public Open Space Playgrounds Renewals - Park Furniture / Lights	0	6,000	6,000	0	0	Expected completion in May 2019.
▄ Public Open Space Playgrounds Renewals - Prince Regent Park/Calista Oval Playground	0	100,000	100,000	50,000	50,000	Combination units and softfall. Expected completion in April 2019.
▄ Public Open Space Playgrounds Renewals - Casuarina Fire Station Reserve/Casuarina Reserve Park/Peace Park	0	8,000	8,000	450	450	Budget to be removed in Budget Review.
▄ Public Open Space (POS) Upgrade - Orelia Oval Additional Steps to meet grass	450	20,000	20,000	39,550	39,100	Project has been delayed due to product quality issues. New timeframes are being determined.
▄ Public Open Space (POS) Upgrades - Parks for People Minor Projects	0	25,000	25,000	10,000	10,000	Expected completion in May 2019.
▄ Public Open Space (POS) Upgrades - Parks for People Strategy	7,338	100,000	100,000	0	(7,338)	Quotes are being obtained for design.
▄ Sporting Infrastructure - Wandii Playing Fields (Honeywood)	0	89,100	89,100	0	0	Expected completion in May 2019.
▄ Street Tree Planting Program (A) - Bertram Stage 2	0	65,000	65,000	0	0	Designs are completed, works are due to commence in May.
▄ Thomas Oval Lighting	0	495,000	495,000	0	0	Concept design completed. Expected carry forward 19/20.
▄ Kwinana Tennis Courts - Fencing	30,504	0	22,727	22,727	(7,777)	Budget Variation approved by Council 22 August 2018. Project completed.
Parks and Reserves Total	296,776	1,869,669	1,892,396	537,822	241,046	










CITY OF KWINANA
NOTES TO THE STATEMENT OF FINANCIAL ACTIVITY
For the Period Ended 28 February 2019

Note 11: Capital Acquisitions

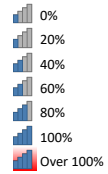
Assets	Budget					Comment
	Total YTD Actual	Adopted Annual Budget	Current Annual Budget	YTD Budget	YTD Variance	
Roads						
Urban Road Grant Construction						
Road Reseal A - Gilmore Avenue - South bound lanes	295,357	380,490	380,490	380,490	85,133	Line marking still to be completed.
Road Reseal C - Sulphur Road - Tanson road to Parmelia Ave	307,200	361,900	361,900	361,900	54,700	Line marking still to be completed.
Road Reseal B - Orelia Avenue - Thomas Road to Christmas Ave (including roundabout)	278,674	492,800	492,800	250,000	(28,674)	Line marking and bus shelter hand rails to be completed.
Black Spot Grant Construction						
Kwinana Beach Road (J)	39,811	48,253	48,253	48,253	8,442	Project completed, awaiting outstanding invoices.
Roads to Recovery Grant Construction						
Road Reseal D - Orelia Avenue - Nye Way to Christmas Ave	30,974	181,500	181,500	150,000	119,026	Awaiting outstanding invoices. Line marking and bus shelter hand rails to be completed.
Road Reseal E - Cowcher Way West & Ridley Way West From Derbal Street to Medina Avenue	274,689	253,000	253,000	253,000	(21,689)	Project completed, awaiting outstanding invoices.
DCA Funded Construction						
DCA 1 - Millar Road	5,200	436,703	436,703	3,000	(2,200)	Expected commencement date of March 2019 has to be revised and to be advised.
DCA 1 - Wellard Road Upgrade – Bertram Road to Millar Road (Item J)	13,800	100,000	100,000	50,000	36,200	Design due for completion in April 2019.
DCA 5 - Lyon Road - Cassowary to Kenby (Satterleys)	0	437,250	437,250	437,250	437,250	Possible carry forward to 19/20 Budget.
Municipal Road Construction						
Gilmore Avenue Pedestrian Crossing	41,608	60,000	60,000	60,000	18,392	Project completed. Budget to be adjusted in Budget Review.
Local Area Traffic Management B - Harlow Road Bollard Installation	12,567	17,188	17,188	17,188	4,621	Project completed.
Road Reseal F - Duckpond Road & Banksia Road intersection	8,710	82,500	107,500	41,250	32,540	Minor works outstanding. Project expected to be over budget due to clay subgrade and culver collapse.
Road Reseal G - Clementi Road	9,500	104,500	104,500	20,000	10,500	Constructions works to commence in March 2019.
Road Reseal L - Henry Street A	34,670	44,000	44,000	44,000	9,330	Project completed.
Roads Total	1,352,760	3,000,084	3,025,084	2,116,331	763,571	
Street Lighting						
Latitude 32 Lighting Changeover	0	262,272	205,272	205,272	205,272	Battery installation in progress. Due for completion end of May
Street Lighting - Various Locations	7,839	22,000	22,000	12,514	4,675	Awaiting quote from Western Power.
Street Lighting - Johnson Road/McWhirter Promenade	15,019	110,000	70,000	70,000	54,981	Expected commencement in March/April 2019.
Street Lighting Total	22,858	394,272	297,272	287,786	264,928	
Bus Shelter Construction						
Bus Shelters	15,836	20,000	20,000	20,000	4,164	
Bus Shelter Construction Total	15,836	20,000	20,000	20,000	4,164	
Footpath Construction						
Footpath A - Rowley Road - Lyon Road to Freeway	39,908	55,000	55,000	55,000	15,092	Landscaping to be done in May 2019.
Footpath Construction - between Adventure Park and Gilmore Avenue	161,582	138,560	150,560	150,560	(11,022)	Project completed. Budget to be adjusted in Budget Review.
Footpath Construction Total	201,490	193,560	205,560	205,560	4,070	

CITY OF KWINANA
 NOTES TO THE STATEMENT OF FINANCIAL ACTIVITY
 For the Period Ended 28 February 2019

Note 11: Capital Acquisitions

Assets	Budget					Comment
	Total YTD Actual	Adopted Annual Budget	Current Annual Budget	YTD Budget	YTD Variance	
Drainage Construction						
 DCA 2 - Peel Sub N Drain - Lot 64 Woolcoat Rd & Lot 379 Millar, 27 & 201 Mortimer Rd's	0	1,916,198	1,916,198	1,916,198	1,916,198	Project has been deferred until June 2019.
 DCA 2 - Peel Sub N2 Drain - Lot 64 Woolcoat Rd	0	257,025	257,025	257,025	257,025	Project has been deferred until June 2019.
 Drainage A - Burlington Street Drainage Sump	9,092	93,500	93,500	6,083	(3,009)	Expected commencement in March 2019.
 Drainage B - Gilmore Avenue	33,249	33,000	33,000	33,000	(249)	Project completed.
 Drainage C - Sulphur Road - Tanson To Parmelia	58,867	39,600	39,600	39,600	(19,267)	Project completed. Budget to be adjusted in Budget Review.
 Drainage Construction Total	101,208	2,339,323	2,339,323	2,251,906	2,150,698	
Car Park Construction						
 Medina Oval - Bituminise entrance & Carpark	6,012	0	7,000	7,000	988	Budget Variation approved by Council 22 August 2018. Project completed.
 Car Park Construction Total	6,012	0	7,000	7,000	988	
 Capital Expenditure Total	3,264,152	15,212,158	15,039,210	7,401,550	4,137,398	

Level of Completion Indicators (Percentage YTD Actual to Annual Budget)



CITY OF KWINANA
NOTES TO THE STATEMENT OF FINANCIAL ACTIVITY
For the Period Ended 28 February 2019

Note 12: Schedule of Grants, Subsidies & Contributions

Description	Current Annual Budget	YTD Actual	Comments
Operating Grants, Subsidies & Contributions			
Community Amenities			
PTA Bus Shelter Subsidy	13,000	-	Expected to be received in June.
SMCC - KIC Coastcare in the KIA	10,000	10,000	
SMCC - BP Coastcare	10,000	-	Funding has expired.
SMCC - Perth Region NRM for SMCC	5,000	5,000	
SMCC - Tronox Adopt a Beach	5,000	5,000	
SMCC - Degremont Adopt a Beach	5,000	-	Expected to be received in June.
Alcoa - Challenger Beach Rehabilitation	16,000	-	Funding has expired.
NATE - Seedling Subsidy Scheme	2,000	499	No more revenue to be received in 18/19.
Education and Welfare			
Banksia Park Operating Cost Contribution	331,344	219,971	Monthly rental income to be fully received by June.
Family Daycare - Mainstream Childcare Benefit Subsidy	3,000,000	2,730,438	Government contributions, fully offset by payments to Care Providers.
Family Daycare - Subsidy Other	45,000	95,435	Government contributions, fully offset by payments to Care Providers.
Family Daycare - Inclusion Subsidy Scheme	5,000	16,457	Government contributions, fully offset by payments to Care Providers.
CCB Subsidy	1,500,000	503,354	Government contributions, fully offset by payments to Care Providers.
Subsidy Other	10,000	12,638	Government contributions, fully offset by payments to Care Providers.
NGALA My Time Program	10,000	7,920	Paid in quarterly instalments.
Operational Subsidy - Aboriginal Resource Worker	30,500	33,566	Paid in two instalments.
Youth Social Justice Program	172,561	134,308	Paid in quarterly instalments (have received three to date).
Youth Incentive Sponsorship	35,000	10,000	Will be reduced to \$10,000 as part of the budget review.
Youth Pathways Strategy Grant	2,500	-	Funding still expected this financial year.
Skate Park Activation Grant	5,000	-	Funding has not been approved.
Good Spirit Learning Program Grant	20,000	-	Funding application unsuccessful.
Youth Wellbeing Benchmark Survey Grant	5,000	-	Funding still expected this financial year.
Art Therapy Youth Grant	50,000	-	Funding application unsuccessful.
General Purpose Funding			
Local Government General Purpose Grant	737,676	357,990	First instalment received in June 2018.
Local Government General Purpose Grant - Roads	669,912	283,830	First instalment received in June 2018.
Non Rateable Property - Dampier to Bunbury Natural Gas Pipeline Corridor	170,000	-	
Health			
Mosquito Management Contributions (CLAG)	10,000	24,688	
Department of Health - Larvicide	1,000	-	
Law Order & Public Safety			
Department Fire and Emergency Services - ESL	161,000	95,020	First quarter payment was received in June 2018.
Department Fire and Emergency Services - LEMC Aware Grant	4,000	-	Funding has not been approved.
Recreation & Culture			
Arts - Harmony & Reconciliation	5,000	-	Sponsorship not achieved.
Sponsorship - Big Concert	60,000	62,500	
Childrens Festival	35,000	-	Expected to receive in March.
Youth Festival	10,000	-	Will be reduced to \$2,000 in budget review.
Music in the Schools/Community	5,000	-	Funding has been unsuccessful.
Recreation - KidSport (DLGSC)	150,000	16,649	DLGSC taking on administration in December. No further receipts or payments will be made after this transition.
Metro Every Club Funding	-	25,000	Funding to replace the Kidsport program, will go toward covering the cost of CDO - Recreation & Inclusion Officer.
Library Contributions & Donations	7,700	4,858	
Shared Use Agreements	108,702	98,498	Bi-annual agreements - final invoice to be claimed in June.
Recquatic Holiday Program DEDU payments	78,421	72,370	Holiday care payments expected to be received again in April and June.
Volunteer Centre - Thank a Volunteer Event	1,500	-	
Transport			
Main Roads Annual Direct Grant	104,611	170,022	
Main Roads Street Light Subsidy	5,000	-	Expected to be received in June.
Main Roads Maintenance Contribution	70,000	65,890	
Total Operating Grants, Subsidies & Contributions	7,682,427	5,061,900	

CITY OF KWINANA
NOTES TO THE STATEMENT OF FINANCIAL ACTIVITY
For the Period Ended 28 February 2019

Note 12: Schedule of Grants, Subsidies & Contributions

Description	Current Annual Budget	YTD Actual	Comments
Non-Operating Grants, Subsidies & Contributions			
Community Amenities			
DCA 1 - Hard Infrastructure - Bertram	127,900	115,473	Developer Contributions are estimated at budget, but actual receipts rely on the timing of subdivisions.
DCA 2 - Hard Infrastructure - Wellard	377,733	191,539	
DCA 4 - Hard Infrastructure - Anketell	-	633,006	
DCA 5 - Hard Infrastructure - Wandl	624,121	-	
DCA 7 - Hard Infrastructure - Mandogalup (west)	13,729	3,786	
DCA 9 - Soft Infrastructure - Wandl / Anketell	269,358	978,831	
DCA 10 - Soft Infrastructure - Casuarina/Anketell	239,940	-	
DCA 11 - Soft Infrastructure - Wellard East	912,873	410,213	
DCA 12 - Soft Infrastructure - Wellard West	160,201	157,242	
DCA 14 - Soft Infrastructure - Wellard / Leda	116,219	102,069	
DCA 15 - Soft Infrastructure - Townsite	19,542	6,872	
Law, Order & Public Safety			
Premier & Cabinet Department	-	30,000	Kwinana South VFB ATU (Septic Units)
Premier & Cabinet Department	-	25,000	Mandogalup VFB ATU (Septic Units)
Recreation & Culture			
Department of Infrastructure - Thomas Oval Lighting	150,000	-	Grant approval received - funds will be paid prior to June.
Department of Education - Wandl Playing Fields	25,500	-	Funds still expected to be received this financial year.
Lotterywest - Kwinana Loop Trail	37,670	-	Funds still expected to be received this financial year.
Department of Infrastructure - Varris Park	-	11,030	Funding received.
Transport			
City of Cockburn - Contribution to Footpath	25,000	25,000	
Roads to Recovery - Reseal Orelia Avenue	135,966	-	Claims will be made as construction progresses.
Roads to Recovery - Reseal Cowcher Way West & Ridley Way	253,000	126,500	Claims will be made as construction progresses.
State Road Grant - Orelia Avenue Resurfacing	298,667	119,467	Claims will be made as construction progresses.
State Road Grant - Sulphur Road Resurfacing	219,333	175,466	Claims will be made as construction progresses.
State Road Grant - Gilmore Avenue Resurfacing	230,600	92,240	Claims will be made as construction progresses.
State Road Grant - State Black Spot - Kwinana Beach Road	48,253	38,602	Claims will be made as construction progresses.
Total Non-Operating Grants, Subsidies & Contributions	4,285,605	3,242,337	

16.2 Review of Council Policy – Related Party Disclosures

DECLARATION OF INTEREST:

There were no declarations of interest declared.

SUMMARY:

A review of Council Policy – Related Party Disclosures is required annually. The review has been conducted and is recommended for Council endorsement.

OFFICER RECOMMENDATION:

That Council adopt the reviewed Council Policy – Related Party Disclosures as detailed in Attachment A.

DISCUSSION:

A review of Council Policy – Related Party Disclosure is required annually.

A copy of the policy as recommended for amendment is detailed in Attachment A with the inclusions and deletions marked in tracked changes. A summary of changes recommended to the policy is included below:

- Remove the need to review the policy on an annual basis, as the Ordinary Citizens Transactions are unlikely to change. In the event that there is a change, or there is an amendment to the Australian Accounting Standards Board (AASB) 124, the policy will be reviewed accordingly and at a minimum of once every two years.
- Minor formatting changes.

LEGAL/POLICY IMPLICATIONS:

Australian Accounting Standard AASB 124 – Related Party Disclosures outlines the application, objective and scope of this standard and its application to local government accounting and reporting.

FINANCIAL/BUDGET IMPLICATIONS:

There are no financial or budget implications as a result of this report.

ASSET MANAGEMENT IMPLICATIONS:

There are no asset management implications as a result of this report.

ENVIRONMENTAL IMPLICATIONS:

There are no environmental implications as a result of this report.

16.2 REVIEW OF COUNCIL POLICY – RELATED PARTY DISCLOSURES**STRATEGIC/SOCIAL IMPLICATIONS:**

This proposal will support the achievement of the following outcome and objective detailed in the Corporate Business Plan.

Plan	Outcome	Objective
Corporate Business Plan	Business Performance	6.5 Apply best practice principles and processes to maximise efficiencies and quality

COMMUNITY ENGAGEMENT:

There are no community engagement implications as a result of this report.

PUBLIC HEALTH IMPLICATIONS

There are no implications on any determinants of health as a result of this report.

RISK IMPLICATIONS:

The risk implications in relation to this proposal are as follows:

Risk Event	Policy is not adopted and a non compliance point is made by the City's auditor
Risk Theme	Failure to fulfil statutory regulations or compliance requirements
Risk Effect/Impact	Compliance
Risk Assessment Context	Operational
Consequence	Minor
Likelihood	Unlikely
Rating (before treatment)	Low
Risk Treatment in place	Reduce - mitigate risk
Response to risk treatment required/in place	Review of the policy and controls.
Rating (after treatment)	Low

COUNCIL DECISION

436

MOVED CR M KEARNEY**SECONDED CR S MILLS**

That Council adopt the reviewed Council Policy – Related Party Disclosures as detailed in Attachment A.

**CARRIED
6/0**



Council Policy

Related Party Disclosures



Council Policy

Related Party Disclosures

D179/4432717351

1. Title

Related Party Disclosures

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2. Purpose

The purpose of this policy is to ensure that the City's financial statements contain the disclosures necessary to draw attention to the possibility that its financial position may have been affected by the existence of related parties and by transactions and outstanding balances, including commitments, with such parties in line with the requirements of AASB 124 – Related Party Disclosures.

It is important to note that AASB 124 is not designed to detect and report fraud or misconduct. It is more so to enhance transparency and accountability of Council transactions.

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3. Scope

To identify related parties and transactions, outstanding balances and the disclosure requirements in line with AASB 124 – Related Party Disclosures.

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4. Definitions

Related Party:

A person or entity that is related to the local government that is preparing its financial statements (The City).

A person or a close member of that person's family is related if that person:

- a) Has significant influence over the reporting entity; or
- b) Is a member of the key management personnel of the reporting entity.

An entity is related if any of the following conditions applies:

- a) The entity and the reporting entity are members of the same group (which means that each parent, subsidiary and fellow subsidiary is related to the others); or
- b) A person is a member of the key management personnel of the entity.
- c) The entity is controlled or jointly controlled by a person identified above.

Key Management Personnel (KMP):

Those persons having authority and responsibility for planning, directing and controlling the activities of the entity, directly or indirectly, including any director (whether executive or otherwise) of that entity.

KMP for Local Government's would include Elected Members and Senior Staff (CEO and Directors).

Close Member of the Family of a Person

Those family members who may be expected to influence, or be influenced by, that

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person in their dealings with the entity and include:

- a) that person's children and spouse or domestic partner;
- b) children of that person's spouse or domestic partner;
- c) dependants of that person or that person's spouse or domestic partner; and
- d) any other close family member.

Related Party Transactions:

A transfer of resources, services or obligations between a reporting entity and a related party, regardless of whether a price is charged.

5. Identification of Related Parties

AASB 124 provides that the City of Kwinana will be required to disclose in its Annual Financial reports, related party relationships, transactions and outstanding balances.

Related parties includes a person who has significant influence over the reporting entity, a member of the key management personnel (KMP) of the entity, or a close family member of that person who may be expected to influence that person.

KMP are defined as persons having authority and responsibility for planning, directing and controlling the activities of the entity, directly or indirectly.

For the purposes of determining the application of the standard, the City of Kwinana has identified the following persons as meeting the definition of *Related Party*:

- An Elected Member
- Key management personnel being a person employed under section 5.36 of the *Local Government Act 1995* in the capacity of Chief Executive Officer or Director
- Close members of the family of any person listed above, including that person's child, spouse or domestic partner, children of a spouse or domestic partner, dependents of that person or person's spouse or domestic partner
- Entities that are controlled or jointly controlled by an Elected Member, KMP or their close family members. Entities include companies, trusts, joint ventures, partnerships and non-profit associations such as sporting clubs.

The City of Kwinana will therefore be required to assess all transactions made with these persons or entities.

Identification of related party transactions

A related party transaction is a transfer of resources, services or obligations between the City of Kwinana (reporting entity) and the related party, regardless of whether a price is charged.

For the purposes of determining whether a related party transaction has occurred, the following transactions or provision of services have been identified as meeting this criteria:

- Paying rates
- Fines
- Use of City of Kwinana owned facilities such as [Recreation Centre, Civic Centre, library, parks, ovals and other public open spaces (whether charged a fee or not)]
- Attending council functions that are open to the public
- Employee compensation whether it is for KMP or close family members of KMP
- Application fees paid to the City of Kwinana for licences, approvals or permits

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- Lease agreements for housing rental (whether for a City of Kwinana owned property or property sub-leased by the City of Kwinana through a Real Estate Agent)
- Lease agreements for commercial properties
- Monetary and non-monetary transactions between the City of Kwinana and any business or associated entity owned or controlled by the related party (including family) in exchange for goods and/or services provided by/to the City of Kwinana (trading arrangement)
- Sale or purchase of any motor vehicles, buildings or land owned by the City of Kwinana, to a person identified above
- Sale or purchase of any motor vehicles, buildings or land owned by a person identified above, to the City of Kwinana
- Loan Arrangements
- Contracts and agreements for construction, consultancy or services

Some of the transactions listed above, occur on terms and conditions no different to those applying to the general public and have been provided in the course of delivering public service objectives. These transactions are those that an ordinary citizen would undertake with Council and are referred to as an Ordinary Citizen Transaction (OCT). Where the City of Kwinana can determine that an OCT was provided at arm's length, and in similar terms and conditions to other members of the public and, that the nature of the transaction is immaterial, no disclosure in the annual financial report will be required.

Disclosure Requirements

For the purposes of determining relevant transactions, Elected Members and key management personnel as identified above, will be required to complete a *Related Party Disclosures - Declaration* form for submission to financial services.

Ordinary Citizen Transactions (OCTs)

~~Management will put forward a draft resolution to Council annually, declaring that in its opinion, based on the facts and circumstances, the following [Ordinary Citizen Transactions](#) (OCT's) ~~that~~ are provided on terms and conditions no different to those applying to the general public and which have been provided in the course of delivering public service objectives, are unlikely to influence the decisions that users of the Council's financial statements make. As such no disclosure in the *Related Party Disclosures - Declaration* form will be required.~~

- Paying rates
- Fines
- Use of City of Kwinana owned facilities such as Recreation Centre, Civic Centre, library, parks, ovals and other public open spaces
- Attending council functions that are open to the public
- Application fees paid to the City of Kwinana for licences, approvals or permits

Where these services were not provided at arm's length and under the same terms and conditions applying to the general public, Elected Members and KMP will be required to make a declaration in the *Related Party Disclosures - Declaration* form about the nature of any discount or special terms received.

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All other transactions

For all other transactions, Elected Members and KMP will be required to make a declaration in the *Related Party Disclosures - Declaration* form.

Frequency of disclosures

Elected Council members and KMP will be required to complete a *Related Party Disclosures - Declaration* form annually.

All Councillors must make disclosures immediately prior to any ordinary or extraordinary election.

Disclosures must be made immediately prior to the termination of employment of/by a KMP.

Confidentiality

All information contained in a disclosure return, will be treated in confidence. Generally, related party disclosures in the annual financial reports are reported in aggregate and as such, individuals are not specifically identified. Notwithstanding, management is required to exercise judgement in determining the level of detail to be disclosed based on the nature of a transaction or collective transactions and the materiality. Individuals may be specifically identified, if the disclosure requirements of AASB 124 so demands.

Materiality

Management will apply professional judgement to assess the materiality of transactions disclosed by related parties and their subsequent inclusion in the financial statements.

In assessing materiality, management will consider both the size and nature of the transaction, individually and collectively.

6. Financial/Budget Implications

There are no financial or budget implications associated with this Policy.

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7. Asset Management Implications

There are no asset management implications associated with this Policy.

8. Environmental Implications

There are no environmental implications associated with this Policy.

9. Strategic/Social Implications

This proposal will support the achievement of the following outcome and objective detailed in the Corporate Business Plan.

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Plan	Outcome	StrategyObjective
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Corporate Business Plan	Business Performance	6.5 Apply best practice principles and processes to maximise efficiencies and quality
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This policy aligns with the following objectives from the Corporate Business Plan:

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6.5	Apply best practice principles and processes to maximise efficiencies and quality.
6.5.1	Ensure internal organisational policies and procedures are aligned to the achievement of the community and corporate vision.

10. Community Engagement

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There are no community engagement implications associated with this Policy

11. Public Health Implications

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There are no public health implications associated with this Policy.

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12. Occupational Safety and Health Implications

There are no OSH implications associated with this Policy.

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13. References

Name of Policy	Related Party Disclosures
Date of Adoption and resolution No	26 July 2017 #554
Review dates and resolution No #	xx/xx/xx - #Nil
New review date	June 2021y-2018
Legal Authority	Australian Accounting Standard – AASB 124 <i>Related Party Disclosures</i> Local Government Act 1995 Local Government (Financial Management) Regulations 1996
Directorate	City Strategy
Department	Finance
Related documents	Other documents Related Party Disclosure Form (D17/44460)

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Note: Changes to References may be made without the need to take the Policy to Council for review.

16.3 Statement of Objects and Reasons and Proposed 2019/2020 Differential Rates and Minimum Payments

DECLARATION OF INTEREST:

There were no declarations of interest declared.

SUMMARY:

This report is provided for Council to consider the Statement of Objects and Reasons and the proposed differential rates and minimum payments for the 2019/2020 financial year for the purpose of advertising and seeking public submissions as required by the *Local Government Act 1995*.

OFFICER RECOMMENDATION:

That Council:

1. Endorse the advertising of the differential rates and minimum payments that are being proposed for the 2019/2020 financial year based on option two within this report, including the time and place the Statement of Objects and Reasons are available for inspection; and
2. Adopt the City of Kwinana Statement of Objects and Reasons as contained in Attachment B; and
3. Commence the public submission period, including publishing the notice from 1 May 2019.

DISCUSSION:

Rates are a significant proportion of the City's revenue and helps achieve the objectives of the Strategic Community Plan and Corporate Business Plan. The purpose of levying rates is to meet the City's budget requirements in order to deliver services and infrastructure each financial year.

The Long Term Financial Plan (LTFP) was adopted by Council on 12 December 2018 and outlined the projected income and expenditure over the 20-year term, along with efficiency measures, proposed capital works, projects and new initiatives. Based on the assumptions of the LTFP, a 3.5% rate increase for the 2019/2020 financial year was applied, which generated \$41million in rates income, to balance the City's expenditure. The LTFP can be viewed on the City's website (<https://www.kwinana.wa.gov.au/our-council/publications-reports/Publications/Long%20Term%20Financial%20Plan%202020-2039.pdf>).

In setting the 2019/2020 Budget, the City aspires to balance service levels in accordance with the needs and expectations of its community. Next financial year, Council will establish the maintenance needs of its assets and infrastructure from the information collated from the upcoming community consultation and the information from the asset management plans.

16.3 STATEMENT OF OBJECTS AND REASONS AND PROPOSED 2019/2020 DIFFERENTIAL RATES AND MINIMUM PAYMENTS

When implementing its rating strategy as part of the Long Term Financial Plan, Council considered the key values contained within *Rating Policy Differential Rates (s.6.33) March 2016* (Rating Policy) released by the then Department of Local Government and Communities (now known as the Department of Local Government, Sports and Cultural Industries), being:

- Objectivity
- Fairness and Equity
- Consistency
- Transparency and Administrative Efficiency

In accordance with the Rating Policy, City Officers compared the proposed rates with the City's neighbouring local governments. The Rating Policy states, "*the local government has reviewed and considered rates proposed in neighbouring or similar local government districts in the rating strategy.*" The comparison showed that the City's GRV commercial and industrial rate in the dollars were on average 6.77% higher than the 2018/2019 average rate in the dollar of the sample of neighbouring local governments. This may suggest that the City's GRV commercial and industrial rating categories are subsidising its non-GRV commercial and industrial rates.

Similarly, when comparing the Vacant Residential rate in the dollar with the 2018/2019 average rate in the dollar for vacant land of the sample of neighbouring local governments, it showed that the City's rate in the dollar was 34.16% higher.

In 2015/2016 the City commenced simplifying its differential rating structure, providing fairness and equity by ensuring that rateable properties of similar uses and zonings are rated consistently across the City of Kwinana. It is proposed by 2023/2024 that the entire rating structure of the City of Kwinana will be simplified and that there will be three GRV rating categories being Improved Residential; Improved Commercial and Industrial; and Vacant. In the 2018/2019 financial year simplification of the UV rating categories was completed and there are now three categories being General Industry; Rural; and Mining and Industrial.

Before the City of Kwinana can impose differential rates, Council must advertise the proposed differential rates for a minimum of 21 days. The advertising period can occur up to two months prior to adoption of the budget. This period of advertising allows ratepayers the ability to inspect the proposed Objects and Reasons and make a public submission in respect to the proposed differential rates and minimum payments prior to Council's adoption of the rates as part of the 2019/2020 Budget. Council can adopt a different rate in the dollar and minimum payment at the time Council adopts the 2019/2020 Budget.

Additionally, in accordance with the *Local Government Act 1995*, Council must seek approval from the Minister to raise a differential rate more than twice the lowest differential rate. The two rate categories that Council must seek Ministerial approval for are:

1. Vacant Residential (GRV) – This is more than twice the Improved Special Residential rate category; and
2. General Industrial (UV) – This is more than twice the Rural rate category.

16.3 STATEMENT OF OBJECTS AND REASONS AND PROPOSED 2019/2020 DIFFERENTIAL RATES AND MINIMUM PAYMENTS

Further to this, the City applies minimum payments in accordance with the *Local Government Act 1995*. The *Local Government Act 1995* states that a local government may not have more than 50% of its properties in any one class of property on minimum payments or in total over the district. However, there is a provision in the *Local Government Act 1995* that allows for a vacant land rate category to have more than 50% of properties on minimum payments if approval from the Minister is obtained. This is a common request by local governments. For the 2019/2020 financial year, if Council approve the proposed minimum payments, the City will need to apply to the Minister for Local Government as there are more than 50% of vacant properties on the minimum rate for the Vacant Residential rate category. The number of minimum rated vacant properties for the Vacant Residential rate category is approximately 70% for both options that are presented within this report. This is consistent with the percentage of Vacant Residential rate category properties on minimum payments currently. The alternative to obtaining Minister approval is to reduce the minimum payment amount for this rate category to a level that would have less than 50% of its properties on minimum payment (which would result in a reduction in rates revenue) or increase the rate in the dollar for Vacant Residential properties. The City continues to have the Vacant Residential rate in the dollar higher than the Improved Residential rate in the dollar as an objective to promote land development rather than land banking. Therefore, the alternative is not recommended by City Officers.

In arriving at the proposed rates in the dollar, City Officers have attempted to balance the need for revenue to fund the requirements of local government services, activities, maintenance of assets, financing costs and capital infrastructure requirements with the desire to limit any increase on the ratepayer.

Additionally, throughout the differential rating process, the City has been committed to simplifying its rating structure to achieve efficiencies and equity in relation to its implementation and administration of rates. A key focus going forward will be for the City to review the rate categories annually and ensure that properties are rated in a fair and equitable manner, having due regard to objectivity, consistency, transparency and administrative efficiency.

The two options that have been modelled and are proposed for Council consideration are:

Option One

Option one is to continue with the simplification of the GRV rating categories that commenced in 2018/2019, with the aim to achieve a finalised simplification of the City's rating categories by the 2023/2024 financial year.

Option one can be summarised as follows:

- Average 3.5% increase to base rates in accordance with the Long Term Financial Plan;
- Continue simplification of GRV rating categories, and reducing the difference between these rate categories over the remaining four years (to the 2023/2024 financial year);
- No GRV categories will achieve finalised simplification in 2019/2020;
- Minimum rates increased by 3.5% for all rating categories;
- A 3.5% increase to the two GRV vacant rating categories and the three GRV industrial rating categories further increases the difference between comparable rating categories of neighbouring local governments, suggesting that these categories may be subsidising the City's other rating categories.

16.3 STATEMENT OF OBJECTS AND REASONS AND PROPOSED 2019/2020 DIFFERENTIAL RATES AND MINIMUM PAYMENTS

The average increase for each category is as follows:

Category (Non Minimums)	# Properties	Simplificati on Gap % Applied	General Rate Average Increase %	Total Average % Increase	Average Rates \$	Average \$ Increase
Improved Residential	13,843	0.00%	3.50%	3.50%	\$1,440	\$49
Improved Special Residential	815	3.09%	3.50%	6.59%	\$1,811	\$112
Vacant Residential	393	0.00%	3.50%	3.50%	\$3,489	\$118
Vacant Non Residential	35	15.83%	3.50%	19.33%	\$8,512	\$1,379
Light Industrial and Commercial	134	0.00%	3.50%	3.50%	\$16,328	\$553
General Industry and Service Commercial	319	1.14%	3.50%	4.64%	\$10,017	\$445
Large Scale General Industry and Service Commercial	47	0.38%	3.50%	3.88%	\$93,621	\$3,490
Rural	146	0.00%	3.50%	3.50%	\$8,751	\$198
General Industry	3	0.00%	3.50%	3.50%	\$735,684	\$25,048
Mining and Industrial	25	0.00%	3.50%	3.50%	\$14,018	\$480

The complete modelling results, including the minimum payment details for each rating category of this option are summarised in the table below:

2019/20 Proposed Rates	19/20		No. of Properties	19/20 Rateable value	19/20 Proposed Rates \$	19/20 Average Rates \$	18/19 Average Rates \$
	Proposed Rate in	19/20 Min \$					
Non-Minimum			15,760	782,145,269	36,691,592		
GRV			15,586	376,684,269	32,856,396		
Improved Residential (IP)	0.08279	\$1,072	13,843	240,702,496	19,927,761	1,440	1,391
Improved Special Residential (SR)	0.07589	\$1,072	815	19,449,231	1,476,002	1,811	1,699
Light Industrial and Commercial (LIC)	0.09360	\$1,395	134	23,374,995	2,187,900	16,328	15,775
General Industry and Service Commercial (GISC)	0.09049	\$1,395	319	35,313,111	3,195,483	10,017	9,572
Large Scale General Industry and Service Commercial (LSGI)	0.09254	\$1,395	47	47,549,186	4,400,202	93,621	90,131
Vacant Non Residential	0.12296	\$1,072	35	2,422,880	297,917	8,512	7,133
Vacant Residential (V)	0.17417	\$1,072	393	7,872,370	1,371,131	3,489	3,371
UV			174	405,461,000	3,835,195		21,973
General Industry (GI)	0.01821	\$1,395	3	121,200,000	2,207,052	735,684	413,987
Rural (R)	0.00523	\$1,072	146	244,301,000	1,277,694	8,751	8,237
Mining (M)	0.00877	\$1,395	25	39,960,000	350,449	14,018	12,539
Minimum			2,522	32,067,481	2,727,809		
GRV			2,446	22,536,708	2,641,169		
Improved Residential (IP)	0.08279	\$1,072	1,435	16,992,652	1,538,320	1,072	1,036
Improved Special Residential (SR)	0.07589	\$1,072	4	54,600	4,288	1,072	1,036
Light Industrial and Commercial (LIC)	0.09360	\$1,395	25	274,661	34,875	1,395	1,348
General Industry and Service Commercial (GISC)	0.09049	\$1,395	34	299,022	47,430	1,395	1,348
Vacant Non Residential	0.12296	\$1,072	2	4,320	2,144	1,072	1,036
Vacant Residential (V)	0.17417	\$1,072	946	4,911,453	1,014,112	1,072	1,036
UV			76	9,530,773	86,640		1,077
Rural (R)	0.00523	\$1,072	60	9,343,600	64,320	1,072	1,036
Mining (M)	0.00877	\$1,395	16	187,173	22,320	1,395	1,348
Grand Total			18,282	814,212,750	39,419,401		

Option Two

Option two is an alternative option for Council consideration, factoring in a further review of the City's differential rates against the key values presented within the Rating Policy. Comparison with neighbouring local governments showed that the City's GRV commercial and industrial rating categories may be subsidising the rates for properties in other rating categories. Option two also takes into consideration that the rate in the dollar for Vacant Residential is significantly more than that of the Vacant Non Residential representing an inequity between these two rating categories.

16.3 STATEMENT OF OBJECTS AND REASONS AND PROPOSED 2019/2020 DIFFERENTIAL RATES AND MINIMUM PAYMENTS

Option two can be summarised as follows:

- Average of 2.5% increase to GRV commercial/industrial rating categories;
- Finalise simplification of General Industry and Service Commercial, and Large Scale General Industry and Service Commercial with Light Industrial and Commercial to create new rating category being GRV Improved Commercial and Industrial with a rate in the dollar of 0.09269;
- Average of 2.5% increase to GRV Vacant Residential;
- Finalise simplification of Vacant Non Residential and Vacant Residential rating categories to create new rating category being GRV Vacant
- Average 3.5% increase to base rates per the Long Term Financial Plan for all other rating categories;
- Continue simplification of GRV Improved Residential and Improved Special Residential rating categories and reducing the difference between these rate categories over the remaining four years (to the 2023/2024 financial year);
- Minimum rates increased by 3.5% for all rating categories.

The average increase for each category is as follows:

Category (Non Minimums)	# Properties	Simplificati on Gap % Applied	General Rate Average Increase %	Total Average % Increase	Average Rates \$	Average \$ Increase
Improved Residential	13,843	0.00%	3.50%	3.50%	\$1,440	\$49
Improved Special Residential	815	3.09%	3.50%	6.59%	\$1,811	\$112
Vacant Residential	389	0.00%	2.50%	2.50%	\$3,480	\$109
Vacant Non Residential	35	64.91%	2.50%	67.41%	\$11,941	\$4,808
Light Industrial and Commercial	133	0.00%	2.50%	2.50%	\$16,280	\$505
General Industry and Service Commercial	319	4.58%	2.50%	7.08%	\$10,261	\$689
Large Scale General Industry and Service Commercial	47	1.54%	2.50%	4.04%	\$93,773	\$3,642
Rural	146	0.00%	3.50%	3.50%	\$8,751	\$198
General Industry	3	0.00%	3.50%	3.50%	\$735,684	\$25,048
Mining and Industrial	25	0.00%	3.50%	3.50%	\$14,018	\$480

The completed modelling results, including the minimum payment details for each rating category of this option are summarised in the table below:

16.3 STATEMENT OF OBJECTS AND REASONS AND PROPOSED 2019/2020 DIFFERENTIAL RATES AND MINIMUM PAYMENTS

2019/20 Proposed Rates	19/20		No. of Properties	19/20 Rateable value	19/20 Proposed Rates \$	19/20 Average Rates \$	18/19 Average Rates \$
	Proposed Rate in	19/20 Min \$					
Non-Minimum			15,755	782,105,429	36,856,247		
GRV			15,581	376,644,429	33,021,051		
Improved Residential (IP)	0.08279	\$1,072	13,843	240,702,496	19,927,761	1,440	1,391
Improved Special Residential (SR)	0.07589	\$1,072	815	19,449,231	1,476,002	1,811	1,699
Light Industrial and Commercial (LIC)	0.09269	\$1,395	133	23,359,995	2,165,238	16,280	15,775
General Industry and Service Commercial (GISC)	0.09269	\$1,395	319	35,313,111	3,273,172	10,261	9,572
Large Scale General Industry and Service Commercial (LSGI)	0.09269	\$1,395	47	47,549,186	4,407,334	93,773	90,131
Vacant Non Residential	0.17249	\$1,072	35	2,422,880	417,923	11,941	7,133
Vacant Residential (V)	0.17249	\$1,072	389	7,847,530	1,353,621	3,480	3,371
UV			174	405,461,000	3,835,195		21,973
General Industry (GI)	0.01821	\$1,395	3	121,200,000	2,207,052	735,684	413,987
Rural (R)	0.00523	\$1,072	146	244,301,000	1,277,694	8,751	8,237
Mining (M)	0.00877	\$1,395	25	39,960,000	350,449	14,018	12,539
Minimum			2,527	32,107,321	2,733,492		
GRV			2,451	22,576,548	2,646,852		
Improved Residential (IP)	0.08279	\$1,072	1,435	16,992,652	1,538,320	1,072	1,036
Improved Special Residential (SR)	0.07589	\$1,072	4	54,600	4,288	1,072	1,036
Light Industrial and Commercial (LIC)	0.09269	\$1,395	26	289,661	36,270	1,395	1,348
General Industry and Service Commercial (GISC)	0.09269	\$1,395	34	299,022	47,430	1,395	1,348
Vacant Non Residential	0.17249	\$1,072	2	4,320	2,144	1,072	1,036
Vacant Residential (V)	0.17249	\$1,072	950	4,936,293	1,018,400	1,072	1,036
UV			76	9,530,773	86,640		1,077
Rural (R)	0.00523	\$1,072	60	9,343,600	64,320	1,072	1,036
Mining (M)	0.00877	\$1,395	16	187,173	22,320	1,395	1,348
Grand Total			18,282	814,212,750	39,589,739		

City Officers will continue to receive valuation updates from Landgate as a result of subdivisions and improvements to properties which may impact the total revenue expected to be levied prior to budget adoption.

The Statement of Objects and Reasons details the proposed characteristics, objects and reasons for each rating category. A copy of the City of Kwinana Statement of Objects and Reasons for option one is contained within Attachment A, and option two contained within Attachment B.

A copy of the draft public notice is contained within Attachment C and will be populated with the relevant option once Council has adopted the proposed rates.

Option two has been selected as the Officer Recommendation for the following reasons:

1. Vacant Non Residential properties are not being subsidised as they will be rated using the same rate in the dollar as Vacant Residential properties. This is consistent with the fairness and equity principles'.
2. There is an increase of 2.5% to the commercial/industrial rating categories, the harmonisation of commercial/industrial is completed and each property is being rated using the same rate in the dollar.
3. The Improved Special Residential rate category continues to be harmonised to the Improved Residential rate category with the intention of combining the two rating categories in another four years.

16.3 STATEMENT OF OBJECTS AND REASONS AND PROPOSED 2019/2020 DIFFERENTIAL RATES AND MINIMUM PAYMENTS**LEGAL/POLICY IMPLICATIONS:***Local Government Act 1995*

s6.33. Differential general rates

- (1) *A local government may impose differential general rates according to any, or a combination, of the following characteristics —*
 - (a) *the purpose for which the land is zoned, whether or not under a local planning scheme or improvement scheme in force under the Planning and Development Act 2005; or*
 - (b) *a purpose for which the land is held or used as determined by the local government; or*
 - (c) *whether or not the land is vacant land; or*
 - (d) *any other characteristic or combination of characteristics prescribed.*
- (2) *Regulations may —*
 - (a) *specify the characteristics under subsection (1) which a local government is to use; or*
 - (b) *limit the characteristics under subsection (1) which a local government is permitted to use.*
- (3) *In imposing a differential general rate a local government is not to, without the approval of the Minister, impose a differential general rate which is more than twice the lowest differential general rate imposed by it.*
- (4) *If during a financial year, the characteristics of any land which form the basis for the imposition of a differential general rate have changed, the local government is not to, on account of that change, amend the assessment of rates payable on that land in respect of that financial year but this subsection does not apply in any case where section 6.40(1)(a) applies.*
- (5) *A differential general rate that a local government purported to impose under this Act before the Local Government Amendment Act 2009 section 39(1)(a) came into operation¹ is to be taken to have been as valid as if the amendment made by that paragraph had been made before the purported imposition of that rate.*

s6.35. Minimum payment

- (1) *Subject to this section, a local government may impose on any rateable land in its district a minimum payment which is greater than the general rate which would otherwise be payable on that land.*
- (2) *A minimum payment is to be a general minimum but, subject to subsection (3), a lesser minimum may be imposed in respect of any portion of the district.*
- (3) *In applying subsection (2) the local government is to ensure the general minimum is imposed on not less than —*
 - (a) *50% of the total number of separately rated properties in the district; or*
 - (b) *50% of the number of properties in each category referred to in subsection (6), on which a minimum payment is imposed.*

16.3 STATEMENT OF OBJECTS AND REASONS AND PROPOSED 2019/2020 DIFFERENTIAL RATES AND MINIMUM PAYMENTS

- (4) *A minimum payment is not to be imposed on more than the prescribed percentage of —*
- (a) *the number of separately rated properties in the district; or*
 - (b) *the number of properties in each category referred to in subsection (6), unless the general minimum does not exceed the prescribed amount.*
- (5) *If a local government imposes a differential general rate on any land on the basis that the land is vacant land it may, with the approval of the Minister, impose a minimum payment in a manner that does not comply with subsections (2), (3) and (4) for that land.*
- (6) *For the purposes of this section a minimum payment is to be applied separately, in accordance with the principles set forth in subsections (2), (3) and (4) in respect of each of the following categories —*
- (a) *to land rated on gross rental value; and*
 - (b) *to land rated on unimproved value; and*
 - (c) *to each differential rating category where a differential general rate is imposed.*

s6.36. Local government to give notice of certain rates

- (1) *Before imposing any differential general rates or a minimum payment applying to a differential rate category under section 6.35(6)(c) a local government is to give local public notice of its intention to do so.*
- (2) *A local government is required to ensure that a notice referred to in subsection (1) is published in sufficient time to allow compliance with the requirements specified in this section and section 6.2(1).*
- (3) *A notice referred to in subsection (1) —*
- (a) *may be published within the period of 2 months preceding the commencement of the financial year to which the proposed rates are to apply on the basis of the local government's estimate of the budget deficiency; and*
 - (b) *is to contain —*
 - (i) *details of each rate or minimum payment the local government intends to impose; and*
 - (ii) *an invitation for submissions to be made by an elector or a ratepayer in respect of the proposed rate or minimum payment and any related matters within 21 days (or such longer period as is specified in the notice) of the notice; and*
 - (iii) *any further information in relation to the matters specified in subparagraphs (i) and (ii) which may be prescribed; and*
 - (c) *is to advise electors and ratepayers of the time and place where a document describing the objects of, and reasons for, each proposed rate and minimum payment may be inspected.*
- (4) *The local government is required to consider any submissions received before imposing the proposed rate or minimum payment with or without modification.*

16.3 STATEMENT OF OBJECTS AND REASONS AND PROPOSED 2019/2020 DIFFERENTIAL RATES AND MINIMUM PAYMENTS

- (5) *Where a local government —*
- (a) *in an emergency, proposes to impose a supplementary general rate or specified area rate under section 6.32(3)(a); or*
 - (b) *proposes to modify the proposed rates or minimum payments after considering any submissions under subsection (4), it is not required to give local public notice of that proposed supplementary general rate, specified area rate, modified rate or minimum payment.*

In summary, the Council must give local public notice detailing each rate in the dollar and minimum payment and make available the Objects and Reasons for its differential rating categories. A minimum period of 21 days must be provided for the community to provide feedback. Any submissions received must be considered by Council prior to the request for Minister's approval and adoption of rates.

FINANCIAL/BUDGET IMPLICATIONS:

The differential rates model as endorsed by Council will directly influence Council's ability to fund expenditure requirements proposed to be included in the 2019/2020 Budget.

Expenses will be incurred in relation to advertising, which are accommodated within the current budget.

ASSET MANAGEMENT IMPLICATIONS:

No asset management implications have been identified as a result of this report or recommendation.

ENVIRONMENTAL IMPLICATIONS:

No environmental implications have been identified as a result of this report or recommendation.

STRATEGIC/SOCIAL IMPLICATIONS:

This proposal will support the achievement of the following outcome and objective detailed in the Corporate Business Plan.

Plan	Outcome	Objective
Corporate Business Plan	Business Performance	5.4 Ensure the financial sustainability of the City of Kwinana into the future

16.3 STATEMENT OF OBJECTS AND REASONS AND PROPOSED 2019/2020 DIFFERENTIAL RATES AND MINIMUM PAYMENTS**COMMUNITY ENGAGEMENT:**

Council must give local public notice, no earlier than 1 May 2019, which details each rate in the dollar and minimum payment and make available the Objects and Reasons for its differential rating categories. A minimum period of 21 days must be provided for the community to provide feedback. Any submissions received must be considered by Council prior to the request for Minister's approval and adoption of rates.

The following engagement will take place:

- Public notice will be published in a local newspaper,
- Public notice will be published in The West Australian
- Information will be made available on the City's Website outlining the intention to raise differential rates and minimum payments and details on how to make a submission.
- Post on the City's social media site.

PUBLIC HEALTH IMPLICATIONS

No public health implications have been identified as a result of this report or recommendation.

RISK IMPLICATIONS:

The risk implications in relation to this proposal are as follows:

Risk Event	Failing to advertise the notice of intention to raise rates for the 2018/2019 financial year
Risk Theme	Failure to fulfil statutory regulations or compliance requirements
Risk Effect/Impact	Compliance
Risk Assessment Context	Operational
Consequence	Major
Likelihood	Rare
Rating (before treatment)	Low
Risk Treatment in place	Avoid - remove cause of risk
Response to risk treatment required/in place	Council adopt the rates for advertising in accordance with the requirements of the <i>Local Government Act 1995</i> .
Rating (after treatment)	Low

16.3 STATEMENT OF OBJECTS AND REASONS AND PROPOSED 2019/2020 DIFFERENTIAL RATES AND MINIMUM PAYMENTS

COUNCIL DECISION

437

MOVED CR M KEARNEY

SECONDED CR S MILLS

That Council:

- 1. Endorse the advertising of the differential rates and minimum payments that are being proposed for the 2019/2020 financial year based on option two within this report, including the time and place the Statement of Objects and Reasons are available for inspection; and**
- 2. Adopt the City of Kwinana Statement of Objects and Reasons as contained in Attachment B; and**
- 3. Commence the public submission period, including publishing the notice from 1 May 2019.**

**CARRIED
6/0**

STATEMENT OF OBJECTS AND REASONS FOR DIFFERENTIAL RATE CATEGORIES 2019/2020

In accordance with section 6.36 of the *Local Government Act 1995* and the Council's "Notice of Intention to Levy Differential Rates and Minimum Payments", the following information details the objects and reasons for each of the proposed differential rate categories.

Summary

The following are the proposed Differential General Rates and Minimum Payments for the City of Kwinana for the 2019/2020 financial year, to be effective from 1 July 2019.

GRV Rate Categories	Minimum Payment (\$)	Rate in \$
GRV Improved Residential	1,072	0.08279
GRV Improved Special Residential	1,072	0.07589
GRV Vacant Residential	1,072	0.17417
GRV Vacant Non Residential	1,072	0.12296
GRV Light Industrial and Commercial	1,395	0.09360
GRV General Industry and Service Commercial	1,395	0.09049
GRV Large Scale General Industry and Service Commercial	1,395	0.09254
UV Rate Categories		
UV Rate Categories	Minimum Payment (\$)	Rate in \$
UV General Industry	1,395	0.01821
UV Rural	1,072	0.00523
UV Mining and Industrial	1,395	0.00877

The above rate model is estimated to yield \$39,419,401 in rate revenue based on the information current at 26 March 2019.

What are Rates?

Rates are a tax levied on all rateable properties within the boundaries of the City of Kwinana in accordance with the *Local Government Act 1995*. The overall objective of the proposed rates in the 2019/2020 Budget is to provide for the net funding requirements of the City's services, activities, financing costs and the current and

Administration

future capital requirements of the City, after taking into account all other forms of revenue. The formulation of a rating system is about achieving a means by which Council can raise sufficient revenue to pay for the services it provides. Throughout Australia, the basis of using property valuations has been found to be the most appropriate means of achieving rating equity; however, the achievement of a wholly equitable rating system for all properties, in all areas, is a difficult task if it is based on the property valuations alone. For this reason, there are refinement options made available, such as differential rating, that the City of Kwinana has elected to use. In Western Australia, land is valued by Landgate Valuation Services (Valuer General's Office – a State Government agency) and those valuations are forwarded to each Local Government. Two types of values are calculated - Gross Rental Value (GRV) which generally applies to urban, non-rural land; and Unimproved Value which generally applies to rural land.

Rating Provisions – *Local Government Act 1995*

The *Local Government Act 1995* sets out the basis on which differential general rates may be based as follows:

Section 6.32. Rates and service charges

(1) When adopting the annual budget, a local government –

- 1. in order to make up the budget deficiency, is to impose* a general rate on rateable land within its district, which rate may be imposed either –*
 - (i) uniformly; or*
 - (ii) differentially*

Differential Rates

Section 6.33. Differential general rates

(1) A local government may impose differential general rates according to any, or a combination, of the following characteristics –

- (a) the purpose for which the land is zoned, whether or not under a local planning scheme or improvement scheme in force under the Planning and Development Act 2005; or*
- (b) a purpose for which the land is held or used as determined by the local government; or*

Administration

(c) whether or not the land is vacant land; or

(d) any other characteristic or combination of characteristics prescribed.

(2) Regulations may —

(a) specify the characteristics under subsection (1) which a local government is to use; or

(b) limit the characteristics under subsection (1) which a local government is permitted to use.

(3) In imposing a differential general rate a local government is not to, without the approval of the Minister, impose a differential general rate which is more than twice the lowest differential general rate imposed by it.

(4) If during a financial year, the characteristics of any land which form the basis for the imposition of a differential general rate have changed, the local government is not to, on account of that change, amend the assessment of rates payable on that land in respect of that financial year but this subsection does not apply in any case where section 6.40(1)(a) applies.

(5) A differential general rate that a local government purported to impose under this Act before the Local Government Amendment Act 2009 section 39(1)(a) came into operation 1 is to be taken to have been as valid as if the amendment made by that paragraph had been made before the purported imposition of that rate.

Minimum Payments

Section 6.35. Minimum Payment

(1) Subject to this section, a local government may impose on any rateable land in its district a minimum payment which is greater than the general rate which would otherwise be payable on that land.

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

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

*(a) 50% of the total number of separately rated properties in the district;
or*

(b) 50% of the number of properties in each category referred to in subsection (6), on which a minimum payment is imposed.

(4) A minimum payment is not to be imposed on more than the prescribed percentage of —

(a) the number of separately rated properties in the district; or

(b) the number of properties in each category referred to in subsection (6), unless the general minimum does not exceed the prescribed amount.

(5) If a local government imposes a differential general rate on any land on the basis that the land is vacant land it may, with the approval of the Minister, impose a minimum payment in a manner that does not comply with subsections (2), (3) and (4) for that land.

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

(a) to land rated on gross rental value; and

(b) to land rated on unimproved value; and

(c) to each differential rating category where a differential general rate is imposed.

Gross Rental Value (GRV)

Council has adopted differential rates in its Gross Rental Valuation area utilising the valuations supplied by the Valuer General (VG) for the following categories:

1. GRV Improved Residential
2. GRV Improved Special Residential
3. GRV Vacant Residential
4. GRV Vacant Non Residential
5. GRV Light Industrial and Commercial
6. GRV General Industry and Service Commercial
7. GRV Large Scale General Industry and Service Commercial

It is Councils intention to continue to achieve the rate harmonisation process to achieve a simplified rating structure comprising the following GRV rating categories by 2023/2024:

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1. Improved Residential
2. Vacant
3. Improved Commercial and Industrial

Continuing to harmonise the GRV rating categories requires the gap to be closed between each of the categories that would be harmonised, during this period, to close the gap, the following additional rates increases/(decreases) will need to apply to reach the proposed rating categories in 2023/2024.

Rating Category	Gap at 30 June 2019	2019/2020 Additional Impact on Rates
GRV		
Improved Residential	0.00%	0.00%
Improved Special Residential	12.35%	3.09%
Vacant Residential	0.00%	0.00%
Vacant Non Residential	64.91%	15.83%
Light Industrial and Commercial	0.00%	0.00%
General Industry and Service Commercial	4.58%	1.14%
Large Scale General Industry and Service Commercial	1.54%	0.38%
UV		
General Industry	0.00%	0.00%
Mining and Industrial	0.00%	0.00%
Rural	0.00%	0.00%

The rates in the dollar are based on the general valuation as supplied by the Valuer General (VG) in respect of gross rental values (GRV's) effective from 1 July 2017. The Valuer General is required to maintain valuations of all rateable land in Western Australia for rating and taxing purposes. These values are assessed every three years by Landgate Valuers to complete what is known as a General Valuation. Every property is valued at a date set by the Valuer General and this is referred to as the Date of Valuation. Rating valuations are therefore assessed at a snapshot in time reflecting the property market for the local area at the same time. This ensures consistency and fairness in the allocation of rates.

The current GRV has a date of valuation of 1 August 2015. The GRV is determined by collecting rental evidence to determine the fair rental value for each property. The

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rental value for a house or other GRV property will be influenced by factors such as age, construction, size, car shelters, pools and location. As the GRV is currently assessed every three years, despite possible changes to the rental market, the GRV remains fixed until the next general valuation.

Unimproved Valuation (UV)

Council has adopted the following differential general rating categories for UV properties:

1. UV General Industry
2. UV Mining and Industrial
3. UV Rural

The Valuer General determines unimproved values annually with a valuation roll provided to local governments. The City has completed rates modelling including the revaluations received in effect from 1 July 2019.

Proposed Differential General Rates and General Minimum Payments

Following are the objects and reasons for each of the differential rating categories and minimum payments for the 2019/2020 financial year.

GRV Improved Residential

This differential rate category imposes a differential general rate on land valued on a gross rental value basis, which is zoned for the purpose of:

- (a) Residential under Local Planning Scheme No 2 and is not vacant land, excluding land held or used for Commercial purposes; or
- (b) Special Residential under Local Planning Scheme No 2 and is not vacant land; or
- (c) Town Centre Residential under Local Planning Scheme No 3 and is not vacant land; or
- (d) Kwinana Town Centre under Local Planning Scheme No 2 and is held or used for residential purposes or is residential under an approved Local Structure Plan and is not vacant land; or
- (e) Development under Local Planning Scheme No 2 and Residential under an approved Local Structure Plan and is not vacant land; or

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- (f) Development under Local Planning Scheme No 2 and Mixed Use under an approved Local Structure Plan and is held or used for residential purposes and is not vacant land.

The object of this rate is to apply a base differential general rate to land zoned and used for residential purposes and to act as the City's benchmark differential rate by which all other GRV rated properties are assessed.

The reason for this rate is to ensure that all ratepayers make a reasonable contribution towards the ongoing maintenance and provision of works, services and facilities throughout the City. It is also lower than vacant land as the City is endeavouring to encourage landowners to develop vacant land.

The proposed rate in the dollar for this category is 8.279 cents, with a minimum payment of \$1,072. It will be applied to 15,278 of the City's rateable properties and deliver 54.46% of the proposed rate income.

GRV Improved Special Residential

This differential rate category imposes a differential general rate on land valued on a gross rental value basis, which is:

- (a) zoned for the purpose of:
 - (i) Special Rural under Local Planning Scheme No 2 and is not vacant land; or
 - (ii) Urban or Urban Deferred under the Metropolitan Region Scheme and is not vacant land; or
 - (iii) Rural A under Local Planning Scheme No 2 and is not vacant land; or
 - (iv) Rural Water Resource under Local Planning Scheme No 2 and is not vacant land; or
 - (v) Rural under the Metropolitan Regional Scheme and is not vacant land; or
 - (vi) Development under Local Planning Scheme No 2 and is not vacant land; or
 - (vii) Park, Recreation and Drainage under Local Planning Scheme No 2 and is not vacant land; or

Administration

(b) held or used for residential purposes under a Master Plan adopted pursuant to Part 3 of the Hope Valley-Wattleup Redevelopment Act 2000 and is not vacant land; and

(c) held or used for residential purposes referred to in paragraphs (a) or (b).

The object of this rate category is to provide a lower differential rate for proposed characteristics under Improved Special Residential a) (i) to (vi) which is consistent with access to and provision of services to residential properties in a rural setting.

The reason for this rate is to reflect the lower demand on City resources, such as, lower impacts on transport infrastructure, when compared to the other GRV differential rating categories. It is also lower than vacant land as the City is endeavouring to encourage landowners to develop vacant land.

The proposed rate in the dollar for this category is 7.589 cents, with a minimum payment of \$1,072. It will be applied to 819 of the City's rateable properties and deliver 3.76% of the proposed rate income.

GRV Vacant Residential

This differential rate category imposes a differential general rate on land valued on a gross rental value basis, which is vacant land and is zoned for residential uses.

The object of this rate is to promote the development of vacant land within the City's district.

The reason for this rate is to impose a higher differential general rate on vacant land that acts as a disincentive to persons who are land banking and not actively developing vacant residential land.

The proposed rate in the dollar for this category is 17.417 cents, with a minimum payment of \$1,072. It will be applied to 1,339 of the City's rateable properties and deliver 6.05% of the proposed rate income.

GRV Vacant – Non Residential

This differential rate category imposes a differential general rate on land valued on a gross rental value basis, which is vacant land and is zoned for commercial or industrial uses.

The object of this rate is to promote the development of vacant land within the City's district.

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The reason for this rate is to impose a higher differential general rate on vacant land that acts as a disincentive to persons who are land banking and not actively developing vacant land.

The proposed rate in the dollar for this category is 12.296 cents, with a minimum payment of \$1,072. It will be applied to 37 of the City's rateable properties and deliver 0.76% of the proposed rate income.

GRV Light Industrial and Commercial

This differential rate category imposes a differential general rate on land valued on a gross rental value basis, which is:

(a) zoned for the purpose of:

- (i) Light Industry under Local Planning Scheme No 2; or
- (ii) Commercial under Local Planning Scheme No 2; or
- (iii) Kwinana Town Centre under Local Planning Scheme No 2 and held or used for Light Industrial or Commercial purposes; or
- (iv) Mixed Business under Local Planning Scheme No 2; or
- (v) Special Use under Local Planning Scheme No 2; or
- (vi) General Town Centre under Local Planning Scheme No 3; or
- (vii) Shopping/Business under Local Planning Scheme No 3; or
- (viii) Market Square under Local Planning Scheme No 3; or
- (ix) Mixed Use under Local Planning Scheme No 2; or
- (x) Residential under Local Planning Scheme No 2 and held or used for Light Industrial or Commercial purposes; or
- (xi) Park recreation and drainage under Local Planning Scheme No. 2 and held or used for Light Industrial or Commercial purposes; or
- (xii) Public purposes under Local Planning Scheme No. 2 and held or used for Light Industrial or Commercial purposes; or
- (xiii) Special Rural under Local Planning Scheme No. 2 and held or used for Light Industrial or Commercial purposes; or

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(xiv) Development under the Local Planning Scheme No 2 and Mixed Use or any other purpose referred to in paragraph (a)(i)-(ix) under an approved Local Structure Plan; or

(xv) Parks and Recreation under the Metropolitan Regional Scheme.

and

(b) is not vacant land.

The object of this rate category is to apply a higher differential rate so as to raise additional revenue to offset the increased costs associated with service provision to these properties.

The reason for this rate is that a higher differential rate is required to meet the higher level of service costs associated with Light Industrial and Commercial properties and the localities within which they are situated, including costs of:

(a) provision and maintenance of transport and streetscape infrastructure including car parking and traffic treatments; and

(b) the management, administration and delivery of marketing activities aimed at enhancing the economic and social viability, and the general amenity of the Kwinana City Centre.

The proposed rate in the dollar for this category is 9.360 cents, with a minimum payment of \$1,395. It will be applied to 159 of the City's rateable properties and deliver 5.64% of the proposed rate income.

GRV General Industry and Service Commercial

This differential rate category imposes a differential general rate on land valued on a gross rental value basis, which is:

(a) zoned for the purpose of:

(i) General Industry or Service Commercial under Local Planning Scheme No. 2; or

(ii) Industrial use under a Master Plan adopted pursuant to Part 3 of the *Hope Valley-Wattleup Redevelopment Act 2000*; or

(iii) Industrial under the Metropolitan Regional Scheme; or

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(iv) Rural A under Local Planning Scheme No. 2;

and

(b) held or used for the purpose of General Industry and Service Commercial development, being an industrial or commercial use or development permissible under the zoning referred to in paragraph (a) and undertaken on land with a gross rental value of less than \$500,000;

and

(c) is not vacant land.

The object of this differential rate category is to apply a differential rate to General Industry and Service Commercial properties (excluding properties within the Large Scale General Industry and Service Commercial differential rate category) in order to raise additional revenue to offset the costs associated with the increased maintenance of infrastructure and higher levels of service associated with properties in this category.

The reason for this rate is the need to offset the higher level of costs incurred by the City in servicing properties in this category, including but not limited to the cost of transport infrastructure maintenance and provision and costs relating to monitoring of land use/environmental impacts.

The proposed rate in the dollar for this category is 9.049 cents, with a minimum payment of \$1,395. It will be applied to 353 of the City's rateable properties and deliver 8.23% of the proposed rate income.

GRV Large Scale General Industry and Service Commercial

This differential rate category imposes a differential general rate on land valued on a gross rental value basis, which is:

(a) zoned for the purpose of:

(i) General Industry or Service Commercial under Local Planning Scheme No 2; or

(ii) industrial use under a Master Plan adopted pursuant to Part 3 of the *Hope Valley-Wattleup Redevelopment Act 2000*; or

(iii) Railways under the Metropolitan Regional Scheme; or

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(iv) Port installations under the Metropolitan Regional Scheme; or

(v) Rural A under Local Planning Scheme No. 2;

and

(b) is held or used for the purpose of Large Scale General Industry and Service Commercial development, being an industrial or commercial use or development permissible under the zoning referred to in paragraph (a) and undertaken on land with a gross rental value of \$500,000 or greater;

and

(c) is not vacant land.

The object of this rate category is to raise additional revenue to offset the costs associated with increased maintenance and renewal/refurbishment of transport infrastructure, and higher levels of service associated with properties in this category.

The reason for this rate is the need to offset the higher level of costs incurred by the City in servicing properties in this category, including the substantial cost of transport infrastructure maintenance and renewal/refurbishment due to significant heavy vehicle movements, and costs relating to monitoring of land use/environmental impacts.

The proposed rate in the dollar for this category is 9.254 cents, with a minimum payment of \$1,395. It will be applied to 47 of the City's rateable properties and deliver 11.16% of the proposed rate income.

UV General Industry

Zoned for the purpose of General Industry under Local Planning Scheme No 2.

The object of this rate category is to raise additional revenue to offset the costs associated with increased maintenance of infrastructure and higher levels of service provided to or associated with properties in this category.

The reason for this rate is to meet a significant proportion of the additional costs involved in servicing properties within this rate category, which include but are not limited to major outlays for transport infrastructure maintenance and

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renewal/refurbishment and significant costs relating to monitoring of land use and environmental impacts.

The proposed rate in the dollar for this category is 1.821 cents, with a minimum payment of \$1,395. It will be applied to 3 of the City's rateable properties and deliver 5.59% of the proposed rate income.

UV Mining and Industrial

This differential rate category imposes a differential general rate on land valued on an unimproved value (UV) basis, which is:

- (a) zoned for the purpose of Rural B under Local Planning Scheme No 2; or
- (b) held or used for industrial, extractive industry or quarrying purposes under a Master Plan adopted pursuant to Part 3 of the *Hope Valley-Wattleup Redevelopment Act 2000*.

The object of this rate category is to raise additional revenue to offset the costs associated with increased maintenance of infrastructure and higher levels of service provided to properties in this category.

The reason for this rate is the need to offset the higher level of costs associated in servicing these properties, including the costs of transport infrastructure maintenance and renewal/refurbishment, and costs relating to monitoring of land use and environmental impacts.

The proposed rate in the dollar for this category is 0.877 cents, with a minimum payment of \$1,395. It will be applied to 41 of the City's rateable properties and deliver 0.95% of the proposed rate income.

UV Rural

This differential rate category imposes a differential general rate on land valued on an unimproved value (UV) basis which is predominantly used or held for rural pursuits, rural industry or intensive agriculture, and:

- (a) is not zoned for the purpose of General Industry under Local Planning Scheme No 2; or
- (b) is not zoned for the purpose of Rural B under Local Planning Scheme No 2; or
- (c) is not held or used for industrial, extractive industry or quarrying purposes under a Master Plan adopted pursuant to Part 3 of the *Hope Valley-Wattleup Redevelopment Act 2000*.

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The object of this rate for category is to impose a differential rate commensurate with the rural use of land, which additionally is to act as the City’s benchmark differential UV rate and is considered to be the base rate by which all other UV rated properties are assessed.

The reason for this rate is to ensure that all ratepayers on rural land make a reasonable contribution towards the ongoing maintenance and provision of works, services and facilities throughout the City.

The proposed rate in the dollar for this category is 0.523 cents, with a minimum payment of \$1,072. It will be applied to 206 of the City’s rateable properties and deliver 3.40% of the proposed rate income.

Minimum Payment

The City proposes to impose following minimum payments for each differential rating category:

GRV Rate Categories	Minimum Payment (\$)
GRV Improved Residential	1,072
GRV Improved Special Residential	1,072
GRV Vacant Residential	1,072
GRV Vacant Non Residential	1,072
GRV Light Industrial and Commercial	1,395
GRV General Industry and Service Commercial	1,395
GRV Large Scale General Industry and Service Commercial	1,395
UV General Industrial	1,395
UV Mining and Industrial	1,395
UV Rural	1,072

The object of the minimum payment is to ensure that all ratepayers make an equitable contribution to rate revenue, to provide for the net funding requirements of the City’s services, activities, financing costs, and current and future capital requirements as outlined in the Strategic Community Plan and Corporate Business Plan.

Each minimum payment has increased by 3.5%.

Submissions

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Submissions by ratepayers and electors in relation to the proposed differential rates may be made to Council within twenty one (21) days of this notice and close 5pm on Wednesday 22 May 2019. Submissions are to be addressed to the: Chief Executive Officer, City of Kwinana, P.O. Box 21, Kwinana WA 6966; or by emailing admin@kwinana.wa.gov.au.

Administration

Cnr Gilmore Ave & Sulphur Rd, Kwinana WA 6167 | PO Box 21, Kwinana WA 6966 | **Hours** Mon-Fri 8am-5pm (Cashier hours 8am-4pm)
Telephone 08 9439 0200 | **Facsimile** 08 9439 0222 | **TTY** 08 9419 7513 | admin@kwinana.wa.gov.au | www.kwinana.wa.gov.au

STATEMENT OF OBJECTS AND REASONS FOR DIFFERENTIAL RATE CATEGORIES 2019/2020

In accordance with section 6.36 of the *Local Government Act 1995* and the Council's "Notice of Intention to Levy Differential Rates and Minimum Payments", the following information details the objects and reasons for each of the proposed differential rating categories.

Summary

The following are the proposed Differential General Rates and Minimum Payments for the City of Kwinana for the 2019/2020 financial year, to be effective from 1 July 2019.

GRV Rate Categories	Minimum Payment (\$)	Rate in \$
GRV Improved Residential	1,072	0.08279
GRV Improved Special Residential	1,072	0.07589
GRV Vacant	1,072	0.17249
GRV Improved Commercial and Industrial	1,395	0.09269
UV Rate Categories		
UV Rate Categories	Minimum Payment (\$)	Rate in \$
UV General Industry	1,395	0.01821
UV Rural	1,072	0.00523
UV Mining and Industrial	1,395	0.00877

The above rate model is estimated to yield \$39,589,739 in rate revenue based on the information current at 26 March 2019.

What are Rates?

Rates are a tax levied on all rateable properties within the boundaries of the City of Kwinana in accordance with the *Local Government Act 1995*. The overall objective of the proposed rates in the 2019/2020 Budget is to provide for the net funding requirements of the City's services, activities, financing costs and the current and future capital requirements of the City, after taking into account all other forms of revenue. The formulation of a rating system is about achieving a means by which Council can raise sufficient revenue to pay for the services it provides. Throughout Australia, the basis of using property valuations has been found to be the most appropriate means of achieving rating equity; however, the achievement of a wholly equitable rating system for all properties, in all areas, is a difficult task if it is based on

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the property valuations alone. For this reason, there are refinement options made available, such as differential rating, that the City of Kwinana has elected to use. In Western Australia, land is valued by Landgate Valuation Services (Valuer General's Office – a State Government agency) and those valuations are forwarded to each Local Government. Two types of values are calculated - Gross Rental Value (GRV) which generally applies to urban, non-rural land; and Unimproved Value which generally applies to rural land.

Rating Provisions – *Local Government Act 1995*

The *Local Government Act 1995* sets out the basis on which differential general rates may be based as follows:

Section 6.32. Rates and service charges

(1) When adopting the annual budget, a local government –

- 1. in order to make up the budget deficiency, is to impose* a general rate on rateable land within its district, which rate may be imposed either –*
 - (i) uniformly; or*
 - (ii) differentially*

Differential Rates

Section 6.33. Differential general rates

(1) A local government may impose differential general rates according to any, or a combination, of the following characteristics —

- (a) the purpose for which the land is zoned, whether or not under a local planning scheme or improvement scheme in force under the Planning and Development Act 2005; or*
- (b) a purpose for which the land is held or used as determined by the local government; or*
- (c) whether or not the land is vacant land; or*
- (d) any other characteristic or combination of characteristics prescribed.*

(2) Regulations may —

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(a) specify the characteristics under subsection (1) which a local government is to use; or

(b) limit the characteristics under subsection (1) which a local government is permitted to use.

(3) In imposing a differential general rate a local government is not to, without the approval of the Minister, impose a differential general rate which is more than twice the lowest differential general rate imposed by it.

(4) If during a financial year, the characteristics of any land which form the basis for the imposition of a differential general rate have changed, the local government is not to, on account of that change, amend the assessment of rates payable on that land in respect of that financial year but this subsection does not apply in any case where section 6.40(1)(a) applies.

(5) A differential general rate that a local government purported to impose under this Act before the Local Government Amendment Act 2009 section 39(1)(a) came into operation 1 is to be taken to have been as valid as if the amendment made by that paragraph had been made before the purported imposition of that rate.

Minimum Payments

Section 6.35. Minimum Payment

(1) Subject to this section, a local government may impose on any rateable land in its district a minimum payment which is greater than the general rate which would otherwise be payable on that land.

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

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

*(a) 50% of the total number of separately rated properties in the district;
or*

(b) 50% of the number of properties in each category referred to in subsection (6), on which a minimum payment is imposed.

(4) A minimum payment is not to be imposed on more than the prescribed percentage of —

(a) the number of separately rated properties in the district; or

(b) the number of properties in each category referred to in subsection (6), unless the general minimum does not exceed the prescribed amount.

(5) If a local government imposes a differential general rate on any land on the basis that the land is vacant land it may, with the approval of the Minister, impose a minimum payment in a manner that does not comply with subsections (2), (3) and (4) for that land.

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

(a) to land rated on gross rental value; and

(b) to land rated on unimproved value; and

(c) to each differential rating category where a differential general rate is imposed.

Gross Rental Value (GRV)

Council has adopted differential rates in its Gross Rental Valuation area utilising the valuations supplied by the Valuer General (VG) for the following categories:

1. GRV Improved Residential
2. GRV Improved Special Residential
3. GRV Vacant
4. GRV Improved Commercial and Industrial

It is Councils intention to continue to achieve the rate harmonisation process to achieve a simplified rating structure comprising the following GRV rating categories by 2023/2024:

1. Improved Residential
2. Vacant
3. Improved Commercial and Industrial

Continuing to harmonise the GRV rating categories requires the gap to be closed between each of the categories that would be harmonised, during this period, to close the gap, the following additional rates increases/(decreases) will need to apply to reach the proposed rating categories in 2023/2024.

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Rating Category	Gap at 30 June 2019	2019/2020 Additional Impact on Rates
GRV		
Improved Residential	0.00%	0.00%
Improved Special Residential	12.35%	3.09%
Vacant (from Residential)	0.00%	0.00%
Vacant (from Non Residential)	64.91%	64.91%
Improved Commercial and Industrial (from LIC)	0.00%	0.00%
Improved Commercial and Industrial (from GISC)	4.58%	4.58%
Improved Commercial and Industrial (from LSGISC)	1.54%	1.54%
UV		
General Industry	0.00%	0.00%
Mining and Industrial	0.00%	0.00%
Rural	0.00%	0.00%

The rates in the dollar are based on the general valuation as supplied by the Valuer General (VG) in respect of gross rental values (GRV's) effective from 1 July 2017. The Valuer General is required to maintain valuations of all rateable land in Western Australia for rating and taxing purposes. These values are assessed every three years by Landgate Valuers to complete what is known as a General Valuation. Every property is valued at a date set by the Valuer General and this is referred to as the Date of Valuation. Rating valuations are therefore assessed at a snapshot in time reflecting the property market for the local area at the same time. This ensures consistency and fairness in the allocation of rates.

The current GRV has a date of valuation of 1 August 2015. The GRV is determined by collecting rental evidence to determine the fair rental value for each property. The rental value for a house or other GRV property will be influenced by factors such as age, construction, size, car shelters, pools and location. As the GRV is currently assessed every three years, despite possible changes to the rental market, the GRV remains fixed until the next general valuation.

Unimproved Valuation (UV)

Council has adopted the following differential general rating categories for UV properties:

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1. UV General Industry
2. UV Mining and Industrial
3. UV Rural

The Valuer General determines unimproved values annually with a valuation roll provided to local governments. The City has completed rates modelling including the revaluations received in effect from 1 July 2019.

Proposed Differential General Rates and General Minimum Payments

Following are the objects and reasons for each of the differential rating categories and minimum payments for the 2019/2020 financial year.

GRV Improved Residential

This differential rate category imposes a differential general rate on land valued on a gross rental value basis, which is zoned for the purpose of:

- (a) Residential under Local Planning Scheme No 2 and is not vacant land, excluding land held or used for Commercial purposes; or
- (b) Special Residential under Local Planning Scheme No 2 and is not vacant land; or
- (c) Town Centre Residential under Local Planning Scheme No 3 and is not vacant land; or
- (d) Kwinana Town Centre under Local Planning Scheme No 2 and is held or used for residential purposes or is residential under an approved Local Structure Plan and is not vacant land; or
- (e) Development under Local Planning Scheme No 2 and Residential under an approved Local Structure Plan and is not vacant land; or
- (f) Development under Local Planning Scheme No 2 and Mixed Use under an approved Local Structure Plan and is held or used for residential purposes and is not vacant land.

The object of this rate is to apply a base differential general rate to land zoned and used for residential purposes and to act as the City's benchmark differential rate by which all other GRV rated properties are assessed.

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The reason for this rate is to ensure that all ratepayers make a reasonable contribution towards the ongoing maintenance and provision of works, services and facilities throughout the City. It is also lower than vacant land as the City is endeavouring to encourage landowners to develop vacant land.

The proposed rate in the dollar for this category is 8.279 cents, with a minimum payment of \$1,072. It will be applied to 15,278 of the City's rateable properties and deliver 54.22% of the proposed rate income.

GRV Improved Special Residential

This differential rate category imposes a differential general rate on land valued on a gross rental value basis, which is:

- (a) zoned for the purpose of:
 - (i) Special Rural under Local Planning Scheme No 2 and is not vacant land; or
 - (ii) Urban or Urban Deferred under the Metropolitan Region Scheme and is not vacant land; or
 - (iii) Rural A under Local Planning Scheme No 2 and is not vacant land; or
 - (iv) Rural Water Resource under Local Planning Scheme No 2 and is not vacant land; or
 - (v) Rural under the Metropolitan Regional Scheme and is not vacant land; or
 - (vi) Development under Local Planning Scheme No 2 and is not vacant land; or
 - (vii) Park, Recreation and Drainage under Local Planning Scheme No 2 and is not vacant land; or
- (b) held or used for residential purposes under a Master Plan adopted pursuant to Part 3 of the *Hope Valley-Wattleup Redevelopment Act 2000* and is not vacant land; and
- (c) held or used for residential purposes referred to in paragraphs (a) or (b).

The object of this rate category is to provide a lower differential rate for proposed characteristics under Improved Special Residential a) (i) to (vi) which is consistent with access to and provision of services to residential properties in a rural setting.

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The reason for this rate is to reflect the lower demand on City resources, such as, lower impacts on transport infrastructure, when compared to the other GRV differential rating categories. It is also lower than vacant land as the City is endeavouring to encourage landowners to develop vacant land.

The proposed rate in the dollar for this category is 7.589 cents, with a minimum payment of \$1,072. It will be applied to 819 of the City's rateable properties and deliver 3.74% of the proposed rate income.

GRV Vacant

This differential rate category imposes a differential general rate on land valued on a gross rental value basis, which is vacant land.

The object of this rate is to promote the development of vacant land within the City's district.

The reason for this rate is to impose a higher differential general rate on vacant land that acts as a disincentive to persons who are land banking and not actively developing vacant land.

The proposed rate in the dollar for this category is 17.249 cents, with a minimum payment of \$1,072. It will be applied to 1,376 of the City's rateable properties and deliver 7.05% of the proposed rate income.

GRV Improved Industrial and Commercial

This differential rate category imposes a differential general rate on land valued on a gross rental value basis, which is:

(a) zoned for the purpose of:

- (i) Light Industry under Local Planning Scheme No 2; or
- (ii) Commercial under Local Planning Scheme No 2; or
- (iii) Kwinana Town Centre under Local Planning Scheme No 2 and held or used for Light Industrial or Commercial purposes; or
- (iv) Mixed Business under Local Planning Scheme No 2; or
- (v) Special Use under Local Planning Scheme No 2; or
- (vi) General Town Centre under Local Planning Scheme No 3; or

Administration

- (vii) Shopping/Business under Local Planning Scheme No 3; or
- (viii) Market Square under Local Planning Scheme No 3; or
- (ix) Mixed Use under Local Planning Scheme No 2; or
- (x) Residential under Local Planning Scheme No 2 and held or used for Light Industrial or Commercial purposes; or
- (xi) Development under the Local Planning Scheme No 2 and Mixed Use or any other purpose referred to in paragraph (a)(i)-(ix) under an approved Local Structure Plan; or
- (xii) Parks and Recreation under the Metropolitan Regional Scheme; or
- (xiii) General Industry or Service Commercial under Local Planning Scheme No. 2; or
- (xiv) Public purposes under Local Planning Scheme No. 2 and held or used for Light Industrial or Commercial purposes; or
- (xv) Park recreation and drainage under Local Planning Scheme No. 2 and held or used for Light Industrial or Commercial purposes
- (xvi) Special Rural under Local Planning Scheme No. 2 and held or used for Light Industrial or Commercial purposes
- (xvii) Industrial use under a Master Plan adopted pursuant to Part 3 of the *Hope Valley-Wattleup Redevelopment Act 2000*; or
- (xviii) Railways under the Metropolitan Regional Scheme; or
- (xix) Port installations under the Metropolitan Regional Scheme; or
- (xx) Industrial under the Metropolitan Regional Scheme; or
- (xxi) Rural A under Local Planning Scheme No. 2;

and

(b) is not vacant land.

Administration

The object of this rate category is to apply a higher differential rate so as to raise additional revenue to offset the increased costs associated with service provision to these properties.

The reason for this rate is that a higher differential rate is required to meet the higher level of service costs associated with Commercial and Industrial properties and the localities within which they are situated, including costs of:

- (a) provision and maintenance of transport and streetscape infrastructure including renewal/refurbishment infrastructure, car parking and traffic treatments; and
- (b) the management, administration and delivery of marketing activities aimed at enhancing the economic and social viability, and the general amenity of the Kwinana commercial and industrial areas.

The proposed rate in the dollar for this category is 9.269 cents, with a minimum payment of \$1,395. It will be applied to 559 of the City's rateable properties and deliver 25.08% of the proposed rate income.

UV General Industry

Zoned for the purpose of General Industry under Local Planning Scheme No 2.

The object of this rate category is to raise additional revenue to offset the costs associated with increased maintenance of infrastructure and higher levels of service provided to or associated with properties in this category.

The reason for this rate is to meet a significant proportion of the additional costs involved in servicing properties within this rate category, which include but are not limited to major outlays for transport infrastructure maintenance and renewal/refurbishment and significant costs relating to monitoring of land use and environmental impacts.

The proposed rate in the dollar for this category is 1.821 cents, with a minimum payment of \$1,395. It will be applied to 3 of the City's rateable properties and deliver 5.57% of the proposed rate income.

UV Mining and Industrial

This differential rate category imposes a differential general rate on land valued on an unimproved value (UV) basis, which is:

- (a) zoned for the purpose of Rural B under Local Planning Scheme No 2; or

Administration

(b) held or used for industrial, extractive industry or quarrying purposes under a Master Plan adopted pursuant to Part 3 of the *Hope Valley-Wattleup Redevelopment Act 2000*.

The object of this rate category is to raise additional revenue to offset the costs associated with increased maintenance of infrastructure and higher levels of service provided to properties in this category.

The reason for this rate is the need to offset the higher level of costs associated in servicing these properties, including the costs of transport infrastructure maintenance and renewal/refurbishment, and costs relating to monitoring of land use and environmental impacts.

The proposed rate in the dollar for this category is 0.877 cents, with a minimum payment of \$1,395. It will be applied to 41 of the City's rateable properties and deliver 0.95% of the proposed rate income.

Administration

UV Rural

This differential rate category imposes a differential general rate on land valued on an unimproved value (UV) basis which is predominantly used or held for rural pursuits, rural industry or intensive agriculture, and:

- (a) is not zoned for the purpose of General Industry under Local Planning Scheme No 2; or
- (b) is not zoned for the purpose of Rural B under Local Planning Scheme No 2; or
- (c) is not held or used for industrial, extractive industry or quarrying purposes under a Master Plan adopted pursuant to Part 3 of the *Hope Valley-Wattleup Redevelopment Act 2000*.

The object of this rate for category is to impose a differential rate commensurate with the rural use of land, which additionally is to act as the City’s benchmark differential UV rate and is considered to be the base rate by which all other UV rated properties are assessed.

The reason for this rate is to ensure that all ratepayers on rural land make a reasonable contribution towards the ongoing maintenance and provision of works, services and facilities throughout the City.

The proposed rate in the dollar for this category is 0.523 cents, with a minimum payment of \$1,072. It will be applied to 206 of the City’s rateable properties and deliver 3.39% of the proposed rate income.

Minimum Payment

The City proposes to impose following minimum payments for each differential rating category:

GRV Rate Categories	Minimum Payment (\$)
GRV Improved Residential	1,072
GRV Improved Special Residential	1,072
GRV Vacant	1,072
GRV Improved Commercial and Industrial	1,395
UV General Industry	1,395
UV Mining and Industrial	1,395
UV Rural	1,072

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The object of the minimum payment is to ensure that all ratepayers make an equitable contribution to rate revenue, to provide for the net funding requirements of the City's services, activities, financing costs, and current and future capital requirements as outlined in the Strategic Community Plan and Corporate Business Plan.

Each minimum payment has increased by 3.5%.

Submissions

Submissions by ratepayers and electors in relation to the proposed differential rates may be made to Council within twenty one (21) days of this notice and close 5pm on Wednesday 22 May 2019. Submissions are to be addressed to the: Chief Executive Officer, City of Kwinana, P.O. Box 21, Kwinana WA 6966; or by emailing admin@kwinana.wa.gov.au.

Administration

NOTICE OF INTENTION TO LEVY DIFFERENTIAL RATES AND MINIMUM PAYMENTS

In accordance with Section 6.36 of the *Local Government Act 1995*, the City of Kwinana hereby gives notice of its intention to impose differential rates for each rating category in the 2019/2020 financial year. Details of the proposed Minimum Payments, Rates in the Dollar for 2019/2020 and the average dollar increase from 2018/2019 for each differential category are as follows:

GRV Rate Categories	2019/2020 Minimum Payment (\$)	2019/2020 Rate in Dollar (\$)	Average Increase from 2018/2019 (\$)

UV Rate Categories	2019/2020 Minimum Payment (\$)	2019/2020 Rate in Dollar (\$)	Average Increase from 2018/2019 (\$)

The figures shown above are estimates and may change as part of Council's budget deliberation. A statement of the Objects and Reasons explaining the proposed minimum payments and rates in the dollar is available for inspection at the City of Kwinana Administration Centre during normal office hours. Alternatively, this document can be viewed at the City's website: www.kwinana.wa.gov.au.

Submissions by ratepayers and electors in relation to the proposed differential rates may be made to Council within twenty one (21) days of this notice and close 5pm on Wednesday 22 May 2019. Submissions are to be addressed to the: Chief Executive Officer, City of Kwinana, P.O. Box 21, Kwinana WA 6966; or by emailing admin@kwinana.wa.gov.au.

JOANNE ABBISS
CHIEF EXECUTIVE OFFICER

17 Urgent Business

Nil

18 Councillor Reports

18.1 Councillor Sandra Lee

Councillor Sandra Lee reported that she had attended the Launch of the Conciliation Action Plan which was a well attended and enjoyable occasion.

Councillor Lee advised that she had attended the City of Kwinana Cultural Awareness Training.

Councillor Lee mentioned that she had attended the Emergency Services Civic Event.

Councillor Lee reported that she had attended the farewell function for the Coordinator Statutory Planning.

Councillor Lee advised that she had attended the Homestead Ridge Progress Association Neighbourhood Day event, which was a movie in the park.

Councillor Lee mentioned that she had attended the City of Kwinana Citizenship Ceremony.

18.2 Councillor Matthew Rowse

Councillor Matthew Rowse reported that he had attended the Community Leaders Forum, which was well attended.

Councillor Rowse advised that he had attended the Launch of the Conciliation Action Plan and he had been pleased it was a well attended event and he passed on his congratulations to all involved.

Councillor Rowse mentioned that he had attended the Neighbourhood Day events at Sloan's Cottage, Medina and Casuarina and he passed on his congratulations to all the organisers.

Councillor Rowse reported that he had attended the Emergency Services Civic Event.

18.3 Councillor Dennis Wood

Councillor Dennis Wood advised that he had attended the Launch of the Conciliation Action Plan and that it had been well attended.

Councillor Wood advised that he had attended the City of Kwinana Citizenship Ceremony.

Councillor Wood mentioned that he had attended two school ANZAC Day ceremonies.

Councillor Wood reported that he had attended the Emergency Services Civic Event.

19 Response to Previous Questions

Questions taken on notice at the Ordinary Council Meeting held on 13 March 2019.

19.1 Kevin Desmond, Parmelia

Question 5

Can you supply me with any submissions that the City has made to the Minister for Environment regarding the introduction to the 3 bin FOGO system?

Response

The Mayor referred the question to the Chief Executive Officer.

The Chief Executive Officer advised that it is a public record as Council's submission to the State's Draft Waste Strategy was presented to Council at the end of last year. The Chief Executive Officer further advised that the City is happy to provide a copy to Mr Desmond.

Further response from the City of Kwinana

The Request for Variations to the Draft Waste Strategy 2030 was presented to Council at the Ordinary Council Meeting held on 14 November 2018, at item 16.5.

Question 19

What does it cost to get a document like that translated?

Response

The Mayor referred the question to the Chief Executive Officer.

The Chief Executive Officer advised that she is not aware of the exact cost but does not believe it was exorbitant as it was a text translation. The Chief Executive Officer further advised Mr Desmond that she would provide the information to him.

Further response from the City of Kwinana

The cost to have the prospectus translated to Chinese was \$380.00 (excluding GST).

20 Mayoral Announcements (without discussion)

Mayor Carol Adams reported that she had attended the Smart City Summit and Expo held in Taipei, Taiwan and passed on her thanks to the City for affording her the opportunity of representing it as a member of the South West Group (SWG) delegation to the Smart City Summit and Expo in Taipei.

The SWG were joined by a large delegation of representatives from seven Queensland councils, namely Gold Coast, Logan, Livingston, Townsville, Toowoomba, Moreton Bay, Redland. Mayor Karen Williams (Redland Council) who was effectively representing over 70 councils who formed part of the Local Government Association of Queensland led the delegation.

The Mayor took the opportunity to acknowledge Tom Griffith; the SWG Director who worked hard to ensure the delegation got the most out of the expo. The Mayor also acknowledged the assistance of the Austrade Office in Taipei who could not do enough to make the visit a success.

20 MAYORAL ANNOUNCEMENTS (WITHOUT DISCUSSION)

The SWG and Queensland councils shared a booth at the Expo; the “Australian Pavilion” and the City representatives hosted talks and made available resource material specific to our particular region.

On the first day of the Expo, there was an official launch of the Australian Pavilion by Mr Gary Cowan, who is the Australian representative in Taipei.

The Mayor explained that Taiwan is half the size of Tasmania but has a population of 23.5 million, which is comparable to Australia and is the second largest merchandise export market for Australia. Taiwan, as a nation has several challenges especially with its growth on a small island, as well as the fact that it is prone to natural disasters, such as earthquakes, typhoons and flooding.

On our first day in Taipei itself, a site tour of the renowned Taipei Medical University Hospital was arranged and we discussed modern technology to support delivery of aged care services to our community. The hospital has won global recognition for its high quality services and patient care.

The Mayor added that they had also visited the Taiwan Tech Arena (equivalent to a large scale and dynamic business incubator), as well as attending an Austrade Briefing on Taiwan and trade opportunities and the City representatives were invited to the residence of Mr Cowan for an authentic “Indigenous BBQ”.

The Mayor stated that at the Expo itself, there were 1700 delegates in attendance together with 337 amazing ‘smart city’ exhibitor booths.

128 Mayors participated in a Mayoral Summit, which was held on the second day of the expo. Mayors representing 40 different countries attended the summit and the Taipei Mayor, Wen-Je KO, officially opened it.

Mayor Barry Sammels, (the current SWG chairperson) was one of the 21 Mayors asked to present at the round table summit. Mayor Sammels spoke about our SWG region and some of the challenges and initiatives we have.

One of the common matters the presenters raised was about the challenges of managing growth as many residents leave rural areas for a life in the City.

Some of the innovation from the Cities and Towns highlighted included Taipei’s plan to be a “Cashless City”, and a “Pay as you Throw” waste and recycle system. We also heard of the challenge for Japan with an aging society and the decline in birth rates, the challenges of climate change from many countries, discussion on rapid transit systems, low carbon emission policies, and alternative measures to address the public lighting problem for many councils.

We also heard about smart elevators, smart science parks, smart bins, special economic zones, and testing of driverless vehicles and drones big enough to carry a human which were being trialled in a region of Russia.

The Taipei Smart City Expo is the second largest expo of its kind in the world. The number one being Barcelona, who will hold its expo later this year.

20 MAYORAL ANNOUNCEMENTS (WITHOUT DISCUSSION)

The Mayor advised that at the expo, the primary focus of all exhibitors was the rise of artificial intelligence and data support systems as well as the rise of the driver less vehicle, robots and the need to cater for the anticipated rise in the use of electric vehicles. We were told that by 2030 it is estimated that 50% of vehicle on our roads and globally will be electric. There was a great presentation on how local governments can prepare for these growth areas via planning for electric vehicle charging stations.

The Mayor stated that she is aware that the City Officers returned to Kwinana with a myriad of initiatives that we could start working towards as we move forward in the age of artificial intelligence and smart systems.

Some of the interesting technologies include: Robotic Camera/Lighting, intelligent lighting, drone technology, facial recognition, Omni Eyes for dash board cameras, emotional sensing of moods, smart parking timing sensors, bin sensors, etc.

There were several options for site visits and along with the City of Kwinana Chief Executive Officer, we participated in a visit to the Taipei City Disaster Prevention and Rescue System followed by a visit to the Taipei City Police Department and a demonstration of the City's CCTV surveillance system, which has seen the crime rate reduce to almost nil. As mentioned earlier, Taipei is prone to weather events such as typhoons and earthquakes.

There are 15,000 individual cameras installed throughout the capital city at a cost of many millions of dollars. Taipei has over 7,000 Police working in city; with a population of around 3 million residents.

Taipei was not what I expected and I was pleased to see it was clean, green, and quite cosmopolitan.

The Mayor further reported that she had travelled to Beijing and Dezhou along with the City of Kwinana Chief Executive Officer and Economic Development Specialist, ultimately for the signing of a friendship agreement with the City of Dezhou.

Dezhou boasts a growing population of 5.5m and is situated in the Shandong Province. Dezhou hails a large industrial zone known as the "solar valley" which is very advanced in comparison to our "lithium valley" concept but we can certainly learn from them in that regard.

We visited several large factories in Dezhou and those businesses were heavily invested in research and development of clean energy urban projects. The solar companies were advanced in solar streetlight initiatives, as well as general heating and battery storage. Companies visited included Qorvo, (a large joint venture company between China and USA who manufactured millions of computer chips), Jieyang New Energy (solar), Tongyu Heavy Industry Manufacturers and Bolibo who are a food and pharmaceutical producer.

A symposium which was hosted by the Dezhou vice Mayor was held prior to the official Friendship Agreement signing ceremony and it was attended by approximately 40 business representatives who were keen to hear about Kwinana and our region. The Mayor passed on her thanks to the City of Kwinana Economic Development Specialist for having the foresight to arrange a video and our economic prospectus on Kwinana in Mandarin, which was greatly appreciated by the symposium attendees.

20 MAYORAL ANNOUNCEMENTS (WITHOUT DISCUSSION)

Whilst we are a small City in comparison to Dezhou, there was much interest in the lithium valley concept and the emergence of battery and downstream processing opportunities.

Following the symposium, and formal signing of the Friendship Agreement, (which appeared on the Dezhou television news station), our delegation met with Mr Chen YONG, the secretary of the Dezhou committee of the Communist Party of China. Gifts and pleasantries were exchanged with the assistance of our respective interpreters.

The Mayor stated that she anticipates that over the next few years there may well be a reciprocal delegation from Dezhou to visit our SWG region to see for themselves the economic opportunities that may exist between their City and ours.

On our return to Beijing, we had two further meetings. The first was with a delegation from PriceWaterhouseCoopers and the second was with two senior representatives of the CITIC Construction and Investment Development Ltd.

The Mayor advised that she had attended the Emergency Services Civic Event.

The Mayor mentioned that she had attended the City of Kwinana Citizenship Ceremony.

The Mayor reported that she had attended the Westport Work Stream Briefing.

The Mayor advised that she had attended the Bertram Primary School ANZAC Day Ceremony.

21 Matters Behind Closed Doors

Nil

22 Meeting Closure

The Mayor declared the meeting closed at 7:39pm.