

Ordinary Council Meeting

Agenda

6 August 2025

Notice is hereby given of an Ordinary Meeting of Council to be held in Council Chambers, City of Kwinana Administration Centre commencing at 6:00pm. Wayne Jack, Chief Executive Officer

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 <https://www.kwinana.wa.gov.au/>

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1 OPENING AND ANNOUNCEMENT OF VISITORS

Presiding Member to declare the meeting open and welcome all in attendance.

Presiding Member to announce that the Ordinary Council Meeting is being live streamed and recorded in accordance with the City's Live streaming and Recording Council Meetings policy.

By being present at this meeting, members of the public consent to the City recording and livestreaming their image and/or voice.

2 WELCOME TO COUNTRY AND ACKNOWLEDGEMENT OF COUNTRY

Deputy Mayor Barry Winmar to present the Welcome to Country:

"Ngullak nyinniny kooralong koora ngullak noitj nidja Nyoongar boodjar. Nyoongar moort djoorapiny nyinniny nidja ngulla quopadok Nyoongar boodjar kooralong.

From the beginning of time to the end, this is Nyoongar Country. Nyoongar people have been graceful keepers of our nation for many, many years.

Djinanginy katatjin djoorapiny nidja weern Nyoongar boodjar ngalla mia mia boorda.

Look, listen, understand and embrace all the elements of Nyoongar Country that is forever our home.

Kaya wandju ngaany koort djoorpiny nidja Nyoongar boodjar daadjaling waankganinyj Nyoongar Boodjar.

Hello and welcome my heart is happy as we are gathered on country and meeting here on Nyoongar Country.

Presiding Member to read the Acknowledgement of Country:

"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 Nyoongar people and we pay our respects to their Elders past and present."

3 DEDICATION

Deputy Mayor Winmar to read the dedication:

"May we, the Elected Members of the City of Kwinana, have the wisdom to consider all matters before us with due consideration, integrity and respect for the Council Chamber.

May the decisions made be in good faith and always in the best interest of the greater Kwinana community that we serve."

4 ATTENDANCE, APOLOGIES, LEAVE(S) OF ABSENCE (PREVIOUSLY APPROVED)

Apologies:

Unknown at the time of issuing the Agenda.

Leave(s) of Absence (previously approved):

Nil

5 PUBLIC QUESTION TIME

In accordance with the *Local Government Act 1995* and the *Local Government (Administration) Regulations 1996*, any person may during Public Question Time ask any question.

In accordance with Regulation 6 of the *Local Government (Administration) Regulations 1996*, the minimum time allowed for Public Question Time is 15 minutes.

A member of the public who raises a question during Question Time is to state his or her name and address.

Members of the public must provide their questions in writing prior to the commencement of the meeting. A public question time form must contain all questions to be asked, include contact details and the form must be completed in a legible form.

Please note that in accordance with Section 3.4(5) of the *City of Kwinana Standing Orders Local Law 2019* a maximum of two questions are permitted initially. An additional question will be allowed by the Presiding Member if time permits following the conclusion of all questions by members of the public.

6 RECEIVING OF PETITIONS, PRESENTATIONS AND DEPUTATIONS

6.1 PETITIONS

A petition must –

- be addressed to the Mayor;
- be made by electors of the district;
- state the request on each page of the petition;
- contain at least five names, addresses and signatures of electors making the request;
- contain a summary of the reasons for the request;
- state the name of the person to whom, and an address at which, notice to the petitioners can be given; and
- be respectful and temperate in its language and not contain language disrespectful to Council.

The only motion which shall be considered by the Council on the presentation of any petition are –

- that the petition be received;
- that the petition be rejected; or
- that the petition be received and a report prepared for Council.

6.2 PRESENTATIONS

In accordance with Clause 3.6 of the *Standing Orders Local Law 2019* a presentation is the acceptance of a gift, grant or an award by the Council on behalf of the local government or the community.

Prior approval must be sought by the Presiding Member prior to a presentation being made at a Council meeting.

Any person or group wishing to make a presentation to the Council shall advise the CEO in writing before 12 noon on the day of the meeting. Where the CEO receives a request in terms of the preceding clause the CEO shall refer it to the presiding member of the Council committee who shall determine whether the presentation should be received.

A presentation to Council is not to exceed a period of fifteen minutes, without the agreement of Council.

6.3 DEPUTATIONS

In accordance with Clause 3.7 of the *Standing Orders Local Law 2019*, any person or group of the public may, during the Deputations segment of the Agenda with the consent of the person presiding, speak on any matter before the Council or Committee provided that the person has requested the right to do so in writing addressed to the Chief Executive Officer by noon on the day of the meeting:

- setting out the agenda item to which the deputation relates;
- whether the deputation is supporting or opposing the officer's or committee's recommendation; and
- included sufficient detail to enable a general understanding of the purpose of the deputation.

A deputation to Council is not to exceed a period of fifteen minutes, without the agreement of Council.

7 CONFIRMATION OF MINUTES

7.1 MINUTES OF THE ORDINARY COUNCIL MEETING HELD ON 23 JULY 2025

RECOMMENDATION

That the Minutes of the Ordinary Council Meeting held on 23 July 2025 be confirmed as a true and correct record of the meeting.

8 DECLARATIONS OF INTEREST (FINANCIAL, PROXIMITY, IMPARTIALITY - BOTH REAL AND PERCEIVED) BY MEMBERS AND CITY OFFICERS

Section 5.65(1) of the *Local Government Act 1995* states:

A member who has an interest in any matter to be discussed at a council or committee meeting that will be attended by the member must disclose the nature of the interest —

in a written notice given to the CEO before the meeting; or
at the meeting immediately before the matter is discussed.

Section 5.66 of the *Local Government Act 1995* states:

If a member has disclosed an interest in a written notice given to the CEO before a meeting then —

before the meeting the CEO is to cause the notice to be given to the person who is to preside at the meeting; and
at the meeting the person presiding is to bring the notice and its contents to the attention of the persons present immediately before the matters to which the disclosure relates are discussed.

9 REQUESTS FOR LEAVE OF ABSENCE

10 ITEMS BROUGHT FORWARD FOR THE CONVENIENCE OF THOSE IN THE PUBLIC GALLERY

11 ANY BUSINESS LEFT OVER FROM PREVIOUS MEETING

12 RECOMMENDATIONS OF COMMITTEES

Nil

13 ENBLOC REPORTS

14 REPORTS - COMMUNITY

Nil

15 REPORTS - ECONOMIC

Nil

16 REPORTS - NATURAL ENVIRONMENT

Nil

17 REPORTS - BUILT INFRASTRUCTURE

17.1 AMENDMENT 1 TO CHALLENGER PRECINCT (E26) STRUCTURE PLAN

SUMMARY

Amendment 1 to the Challenger Precinct (E26) Local Structure Plan (Structure Plan) has been lodged with the City of Kwinana in accordance with Schedule 2, Part 4 of the *Planning and Development (Local Planning Schemes) Regulations 2015*. The current Structure Plan was approved subject to modifications by Council at its 25 September 2013 Ordinary Council Meeting.

The amendment proposes to modify the zoning along the northern portion of the Structure Plan area and associated textual provisions, deleting the Mixed Use R80 zone, replacing with Commercial R60, Residential with range of either R60-80 or R40-60, and replace the designation of the Grouped Residential R60-80 closest to Meares Avenue with Residential R40-60.

The Western Australian Planning Commission (WAPC) is the determining authority for approval of structure plans. The local government is required to provide a report to the WAPC within a specified timeframe, in this case by 10 August 2025, that:

- a) Lists and responds to submissions received;
- b) Provides an assessment based on planning principles; and
- c) Provides a recommendation on whether the amended structure plan should be approved or not, with or without modification.

Five submissions were received during the advertising period, comprising of three from the community and two from agencies. Two of the community submissions object to the proposed amendment. The submissions and the City's comments on the submissions are discussed in the report and are outlined in the attached Schedule of Submissions.

Following assessment and consideration of submissions, it is recommended that, although the proposed zoning changes are supported, Amendment 1 should not be approved due primarily to the proposed lowered residential density codings being inconsistent with intended built form and density for land adjacent to the Kwinana Secondary Centre, and due to the changes removing the potential for more housing diversity and choice in the locality.

The Officer's Recommendation includes several recommendations to the WAPC that, should the Amendment progress and be supported, that modifications should be undertaken to the documentation for matters relating to summary information, tree retention, built form provisions, and bushfire protection.

OFFICER RECOMMENDATION

That Council:

1. **Recommend to the Western Australian Planning Commission pursuant to Schedule 2 Regulation 20 of the *Planning and Development (Local Planning Schemes) Regulations 2015*, that Amendment 1 to the Challenger Precinct (E26) Local Structure Plan should not be approved. Specifically, the proposed lowering of residential density from R80 to between R40-R80 adjacent to Challenger Avenue and the Kwinana Secondary Centre is not supported for the following reasons:**

- a) **The lowered residential density coding is intended to enable single house / single lot development which is inappropriate for the location.**
 - b) **The lowered residential density coding will not improve housing diversity in the catchment area of the Secondary Centre, or the Cassia Glade Estate generally.**
 - c) **The built form associated with the lowered residential density coding is not appropriate for the location immediately adjacent to a Secondary Centre.**
 - d) **The reduced population that will result from the lowered residential density coding will lessen the positive economic and community benefits for the Secondary Centre.**
 - e) **The lower density coding may respond to current market demand for single house product, however will be a sub-optimal outcome for ideally located land that can provide diverse housing of a scale commensurate to its Secondary Centre location.**
- 2. Advise the Western Australian Planning Commission that, in addition to the matters raised in 1., the following modifications are required should the Amendment proceed:**
- a) **The Part 1 land use summary table requires updating to include estimated lot yield;**
 - b) **Additional development requirements are to be included in Part 1 to ensure that Commercial development appropriately addresses Challenger Avenue and Hawkeswood Boulevard, including:**
 - i. **Car parking should not be located within the primary street setback;**
 - ii. **Minimum street setbacks of Commercial zone in LPS2 do not apply; and;**
 - iii. **Minimum two storey built form to the primary street.**
 - c) **Part 1 is to clarify the requirement for the provision of Significant Tree Retention plan at subdivision stage:**
 - i. **Section 7.3, deleting reference to ‘any earthworks commencing or’; and**
 - ii. **Update the text under Section 5.6 Conditions of Subdivision approval to require a Significant Tree Retention Plan to be provided as a condition of subdivision approval.**
 - d) **If the WAPC considers the approved modified Structure Plan results in an intensification of land use or development in the opinion of the WAPC, that the Structure Plan addresses relevant requirements of SPP 3.7 – Bushfire.**
 - e) **Minor textual changes are required to replace the following outdated provisions:**
 - i. **Revise text at section 6.1 to reflect that an LDP ‘may’ and not ‘must’ be required;**

- ii. At section 6.1, delete lots less than 260sqm from circumstances where an LDP may be prepared; and;
 - iii. Text at section 7.1 Bushfire updated to replace outdated requirements.
3. Consider the Schedule of Submissions pursuant to Schedule 2, Clause 20(2)(a) of the *Planning and Development Regulations (Local Planning Schemes) 2015*.
 4. Forward this Ordinary Council Meeting Report, Council's Resolution and the Schedule of Submissions to the Western Australian Planning Commission pursuant to Schedule 2, Clause 20 of the *Planning and Development Regulations (Local Planning Schemes) 2015*.

VOTING REQUIREMENT

Simple majority

BACKGROUND

The Challenger Precinct (E26) Local Structure Plan (Structure Plan) area, also referred to as Cassia Glades Estate, is located to the immediate south of the Kwinana Town Centre. The Structure Plan comprises a total area of approximately 36.85 hectares and is bound by Challenger Avenue to the north, Meares Avenue to the east, Wellard Avenue to the south and Gilmore Avenue to the west, being the land contained within the inner edge of the line denoting the structure plan boundary as shown on the Statutory Structure Plan Map (Figure 1 and Figure 2)

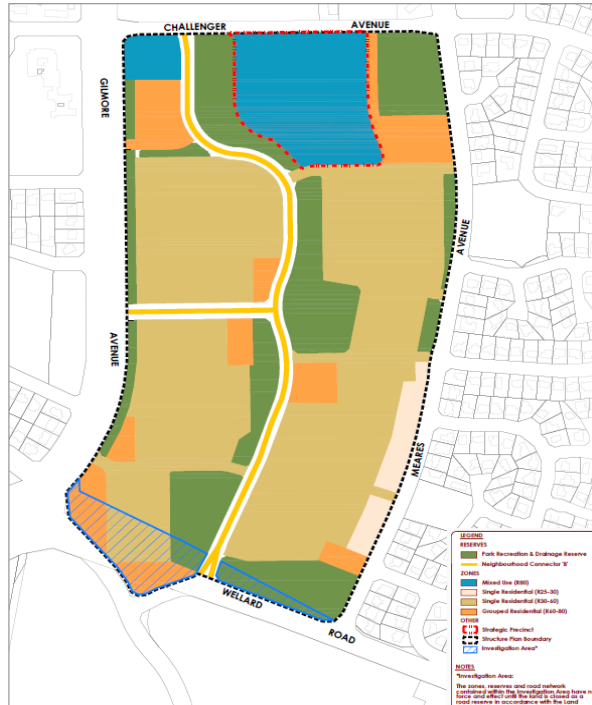


Figure 1 - Challenger Precinct (E26) Local Structure Plan Map (2014)



Figure 2 - Aerial of Structure Plan area (Source: Nearmap, dated June 2025)

The Structure Plan was approved subject to modifications by Council at its 25 September 2013 Ordinary Council Meeting. The Structure Plan was approved under Part 6.17 Division 14 of the LPS2 and came into operation upon the gazettal of Planning Scheme Amendment 140 on 3 July 2015. It is comprised of a Part 1 – Statutory Implementation, Part 2 – Explanatory Section, and

seven appendices of technical reports relating to land description and ownership (Appendix 1) environmental assessments (2), servicing and infrastructure (3), transport and access (4), landscaping (5), local water management (6) and fire management (7).

The approved Structure Plan, dated March 2014, outlines land use, zones and reserves applicable within the Structure Plan area. As shown in Figure 1, the Structure Plan provides for a range of residential densities from medium density (R25, R30 and R60) single residential allotments through to higher density (R60 and R80) grouped housing sites dispersed throughout, as well as two areas of Mixed Use (R80) fronting Challenger Avenue. Those most relevant to this proposed amendment are Group Residential R60 to R80 (orange) and Mixed Use (blue).

The development outcome for the Mixed Use zone envisaged by the Structure Plan is multi-storey developments up to 5 storeys (17.5 metres) with commercial uses at ground level or first floor and residential land uses on the upper levels. As Mixed Use is not a zone prescribed by the Local Planning Scheme No. 2 (LPS2), the approved Structure Plan includes zone objectives and a land use permissibility table with a range of preferred and permitted land uses. The objectives of the Mixed Use zone can be summarised as intended to support active ground-floor uses that promote a vibrant streetscape, ensure a suitable transition between commercial and residential uses and provide an acceptable interface with existing development, encourage local employment opportunities to enhance self-sufficiency, and maintain high design standards to manage potential impacts in mixed use developments. Minimum development requirements are also specified, including height, street and side and rear setbacks, car parking, facades, balconies, and plot ratio.

As illustrated in Figure 2, development within the Structure Plan area is progressing, with approximately half of the area subdivided and developed. Subdivision approvals have been granted or are currently under assessment for the remaining stages of residential development, except for the portion subject to the proposed amendment. This area, located in the northernmost section of the Structure Plan, is designated in the approved Structure Plan for Group Dwelling (R60–R80) (orange) and Mixed Use (R80) (blue) development. The proposed amendment is outlined in further detail below.

Proposed Amendment 1

This is the first amendment to the Structure Plan since it was endorsed in 2014. The amendment proposes to modify the zoning along the northern portion of the Structure Plan area and associated textual provisions. Figure 3 illustrates extracts from the existing and proposed Structure Plan Map, which delineates the proposed zoning changes.



Figure 3 - Local Structure Plan Map (Part 1) from approved (left) and proposed (right)

The scope of the changes or amendment area is confined to the area abutting Challenger Ave

There are no changes to the applied zoning or provisions other than those listed above and described below.

The amendments proposed to the Structure Plan Part One are as follows:

- a) Replace the designation of the land in the north-western corner of the site from 'Mixed Use R80' (medium blue) to 'Commercial' with a residential density of R60 (light blue),
- b) Replace the designation of the land identified as the 'Mixed Use Strategic Precinct' (medium blue dashed outline) from 'Mixed Use R80' to 'Residential' with a density range of either R60-80 (hashed orange) or R40-60,
- c) Replace the designation of the 'Grouped Residential R60-80' closest to Meares Avenue with 'Residential R40-60',
- d) Realign the Public Open Space boundary with the Residential R40-60 fronting Measures Avenue associated with a no through road, and
- e) Associated modifications to textual provisions to reflect the above zoning changes, including:
 - i. Updates to Land use summary table to reflect changes,
 - ii. Deletion of Mixed Use zone from Section 5 Land use and subdivision, including objectives and land use permissibility,
 - iii. Deletion of reference to Strategic Precinct from Section 5.3.2 Locational criteria,
 - iv. Updates to text included at Section 5.3.3 Dwelling target, including deletion of reference to the R60 and R80 grouped housing sites, where were to provide the opportunity for either grouped or multiple dwellings,
 - v. Deletion of Lot yield summary table included at Section 5.3.3 Dwelling target,
 - vi. Updates to provisions included in Section 5.4 Commercial to reflect deletion of Mixed Use zone,
 - vii. Deletion of Section 6.3 Development requirements for Mixed Use Development, to reflect deletion of Mixed Use zone, which included the table of provisions (i.e. heights and street setbacks) relating to mixed use development,
 - viii. Deletion of Section 7.2 Development Requirements for land within the Strategic Precinct, reflective of the deletion of this precinct, and associated renumbering of other sections.

The modifications to Land use summary table as referenced above between the approved and proposed LSP are illustrated in Figure 4 below. For the proposed amendment, text in italics is referenced as per the proposed Part One while non-italics is City populated.

Figure 4 – Changes to Table 1 between approved and proposed amended Structure Plan

Item	Approved (2014)	Proposed (2025)
Total area	36.85 ha	<i>36.85 ha</i>
Net subdivisible area	36.1906 ha	<i>36.1906 ha</i>
Area of each proposed land use		
-Residential (inc roads)	21.5808 ha	<i>21.5808 ha</i>
-Mixed Use (excl Strategic P.)/commercial	0.5032 ha	<i>0.5032 ha</i>
-Strategic Site	3.4065 ha	No longer applicable
-Unrestricted POS	6.6762 ha	<i>6.6762 ha</i>
-Restricted POS	1.2387 ha	<i>1.2387 ha</i>
-Dedicated Drainage Reserves	0.6594 ha	<i>0.6594 ha</i>
Estimated lot yield	482	Not listed/provided

Estimated Number of Dwellings	916	<i>550-600</i>
Estimated Residential Site Density	32 dwellings / gross ha	<i>25.332 dwellings / gross ha</i>
Estimated population	1941 people	1485 (calculated from 2.7 people per household for 550 dwellings)
Estimated Commercial Floor Space	Commercial uses only permitted within Mixed Use zone: -Up to 4032m ² NLA 'Shop' use permitted. - No m ² NLA cap for non 'shop' commercial uses...	<i>Approx. 4000m² to 5000m² of commercial area.</i>
Estimated number and area of Local Parks	6 Local Parks and 5 landscape strips totalling 7.9140 ha (21.5%) creditable POS.	<i>6 Local Parks and 5 landscape strips totalling 7.9140 ha (21.5%) creditable POS.</i>

In addition to the above changes to Part One – Statutory Implementation, the amendment includes a Part Two – Explanatory Report Addendum. The Revised Part Two largely focuses on the proposed amendment and is intended to be an Addendum to the approved Part Two. Consequently, as the amended Part Two does not supersede all sections of the approved Part Two, it should be noted that sections of the approved Part Two and Appendix will remain of relevance to the assessment and implementation of the Structure Plan and should be referenced in conjunction for successful implementation of the Structure Plan.

In support of the proposed amendment to the approved Structure Plan, the following documentation was provided:

- Structure Plan Part 1 – Statutory Section (prepared by CLE dated Jan 2025)
- Structure Plan Part 2 – Addendum (prepared by CLE dated Jan 2025)
- Attachment 1 – Mixed Use Opportunities Assessment (prepared by Urbis dated June 2024)
- Attachment 2 – Transport and Access Report (prepared by PJA dated November 2024)
- Attachment 3 – Bushfire Management Plan (prepared by Natural Area Consulting Management Services dated 3 June 2015)

In addition to the amended Structure Plan and supporting attachments, the following documents were also provided, but do not form part of the amended documentation:

- Cassia Glades Landscape Masterplan (prepared by Emerge Associates dated March 2024)
- Cassia Glades Significant Tree Plan (prepared by CLE dated 4 April 2024)

DISCUSSION

This report has been prepared in accordance with Part 2 Clause 20 of the *Planning and Development (Local Planning Schemes) Regulations 2015* and provides an assessment of the proposal based on appropriate planning principles. The Structure Plan amendment has been assessed against a range of statutory and strategic planning documents as well as sought comments from the public and from government agencies. The key policy context which has informed the consideration of the amendment are:

- City of Kwinana Local Planning Scheme No. 2
- City of Kwinana Local Commercial and Activity Centre Strategy (2023)
- City of Kwinana Draft Local Planning Strategy (2024)

- Directions 2031 (WAPC, 2010)
- Kwinana City Centre Master Plan (2019)
- SPP 3.7 – Bushfire (WAPC, 2024)
- SPP 4.2 - Activity centres (WAPC, 2023)
- Liveable Neighbourhoods (WAPC, 2015)

The assessment of the key planning considerations is detailed below.

Mixed Use zone and Retail/Commercial Floorspace

The amendment proposes to change the zoning of the two Mixed Use precincts within the Structure Plan to Commercial and Residential (R60-80). While the change from Mixed Use to Commercial would not result in a notable change in land uses permitted, the change from Mixed Use to Residential would overall result in less commercial or employment generating land uses in the Structure Plan area. Central to the consideration of the change in zoning from Mixed Use to Residential, is the policy direction established by the Draft Local Planning Strategy (2024), Local Commercial and Activity Centre Strategy (LCAC's), and State Planning Policy 4.2 - Activity centres.

The proposed change from Mixed Use to Residential zone is supported for the following reasons:

1. The change will have a minimal reduction in employment generating floorspace as the retail/commercial floorspace is restricted to ground floor only under the current Structure Plan.
2. The City's LCAC Strategy has not considered the potential retail/commercial floorspace as part of the City Centre. In fact, LCAC comments that any retail/commercial floorspace in the Structure Plan location should be limited to support residents of the estate development only, so as not to detract from the activity and primacy of the City Centre.
3. There is sufficient land available within the existing City Centre to accommodate projected retail/commercial demand to 2050.
4. Activation and surveillance of Challenger Avenue can be achieved with suitable intense and well-designed residential development.

The proposed change from Mixed Use to Commercial for the corner location of Challenger Avenue and Gilmore Avenue is also supported. In effect, the change is a change to the zone name to align with the zones in LPS2 and to provide clearer direction and interpretation as to what land uses are permitted. Commercial development at the corner location is considered appropriate and will not detract from the vibrancy or primacy of the City Centre.

Under the proposed Structure Plan, the development of the Commercial zone is to be guided by the provisions of LPS2 and the principles included in Section 5.3 of the Structure Plan. Compared to the approved, the amended Structure Plan provides less direction for built form to be achieved on the Commercial (formerly Mixed Use) site. This is in part due to the applied zoning being reflected within the Scheme, while Mixed Use is not, and additional guidance was required. The setbacks contained within Table 2 of LPS2 (6m front, 1.5m side, 6m rear, 3m secondary) are inconsistent with the strategic direction for achieving an activated built form fronting Challenger Avenue reflected in the approved Structure Plan. While it does provide for principles to be incorporated 'where possible' within Section 5.3, there are some inconsistencies between these principles and what is contained within LPS2, and the intended outcomes clearly articulated by the approved Structure Plan. Accordingly, modifications to proposed Structure Plan are recommended to ensure there is adequate direction for development to ensure it appropriately addresses frontages.

Housing Density and Form

The amendment proposes to delete the Mixed Use (R80) and designate as Commercial and Residential with a density range of either R60-80 (fronting Challenger) or R40-60. The R40-R80 residential densities will result in development of single dwellings (as illustrated by the concept plan) in the immediate surrounds of the Kwinana City Centre, which is significantly less dense than the outcome intended by the approved Structure Plan of up to five storeys. Overall, the land use summary table reflects an overall reduction in the estimated number of dwellings from 916 to 550-600 and average density across the site from 32 to 25.3 dwellings/ gross hectare.

Collectively, the strategic direction of the applicable planning framework of Directions 2031, SPP 4.2 - Activity centres and Liveable Neighbourhoods, seeks to facilitate increased housing diversity, with the highest density housing within proximity to activity centres. It is estimated that approximately 384 single dwelling lots have been subdivided or are under application within the Structure Plan area. This figure excludes group dwelling sites, of which there at least five identified by the approved Structure Plan. If approved in its current form, the dwelling density and form in the current Strategic Precinct would essentially be the same as the remainder of the Structure Plan area – i.e. detached 3 or 4 bedroom single houses. This outcome is not supported for the following reasons:

1. The proposed density and single house product does not improve housing diversity in the City or the Cassia Glades estate, contrary to the principles of Directions 2031 and SPP4.2.
2. Single house built form provides little surveillance of Challenger Avenue.
3. Single house built form is inconsistent with the Secondary Centre status of the adjacent City Centre.
4. The reduced population will lessen the positive economic benefits for the Secondary Centre.
5. The lower density coding may respond to current market demand for single house product, however will be a sub-optimal outcome for ideally located land that can provide diverse housing of a scale commensurate to its Secondary Centre location.

Although the proposed zoning change from Mixed Use to Residential is supported, the proposed lower residential density codings are not. A fundamental function of a structure plan is to allocate residential density coding to land, and as the proposed changes are not supported, the City recommends that the WAPC is advised that Amendment 1 is not supported.

Transport and Movement

The amended Structure Plan would result in less vehicle movements compared to the approved Structure Plan, resulting in an overall surplus. The traffic treatments are adequate for the proposed intensity of development, noting that detailed design of internal road layouts and access not depicted in the Structure Plan map would be further evaluated at subdivision stage. It should be noted that the laneway access to Challenger Avenue indicated in the concept plan is not supported. No modifications are required to the amended Structure Plan regarding traffic.

Public Open Space & Vegetation

The amendment proposes to a minor realignment of the Public Open Space boundary with the Residential R40-60 fronting Measures Avenue to facilitate a no through road. The application does not propose to modify the area of public open space provided which is retained as per the approved Structure Plan.

A plan was provided to demonstrate the proposed amendment would not result in any change to the significant trees required to be retained under EPBC controlled action. It is to be noted the significant tree retention plan was provided only for this purpose, as the case with previous stages

of subdivision a significant tree retention plan will be required to be prepared for each subdivision approval. For improved clarity regarding the process for the retention of significant trees, a recommended modification is to update the text under 5.6 Conditions of Subdivision approval to require a Significant Tree Retention Plan to be provided as a condition of subdivision approval. The consideration of public open space landscaping, vegetation and tree retention is all outside the scope of the amendment and will be determined at the detailed design stage of subdivision.

Bushfire

The Structure Plan area is located within a designated bushfire prone area. State Planning Policy 3.7 - Bushfire is only applicable to proposals which would result in an intensification of development or land use; or results in an increase in visitors, residents or employees; or adversely impacts or increases the bushfire risk to the subject or surrounding sites. As detailed in the proposal section of this report, the proposed amendment overall would result in a less intense outcome than the approved Structure Plan and therefore SPP 3.7 does not apply.

The amended Structure Plan retains the section from the approved Structure Plan 'Bush Fire Prone Area'. The text under this clause 7.1 is now outdated, including declaring a bushfire prone area. For improved clarity, this clause should be updated to reflect the relevant requirements under SPP 3.7 and the associated *Guidelines*. This may include rewording to note that areas of the subject land area included within a designated bushfire prone area and that subdivisions will be required to address the requirements of SPP 3.7.

STRATEGIC IMPLICATIONS

Outcome: Built Environment/ Ngalak Moort Mia Mia (Family gathering places)
Objective: Building communities

How does this proposal achieve the outcomes and strategic objectives?

The Structure Plan amendment is consistent with the draft Local Planning Strategy, Local Commercial and Activity Centre Strategy and WAPC's Liveable Neighbourhoods.

SUSTAINABILITY FRAMEWORK

Sustainability Guiding Principle

6 - Resilient and Adaptable Communities

8 - Integrated and Transparent Decision-making

Sustainability Priority Area

3 - Liveability

How does this proposal achieve the guiding principle and priority area?

The proposed amendment is not considered consistent with the principles of the City's draft Local Planning Strategy that seeks to provide housing diversity within walkable catchments of centres.

LEGAL/POLICY IMPLICATIONS

The Structure Plan amendment has been lodged with the City in accordance with Schedule 2, Part 4 of the *Planning and Development Regulations (Local Planning Schemes) 2015*.

FINANCIAL/BUDGET IMPLICATIONS

The cost of preparing the Structure Plan Amendment has been borne by the applicant. Reg. 48 of the *Planning and Development Regulations 2009* enables the City to charge a fee to the Applicant for the assessment of a structure plan, based on hourly rates prescribed in the Regulations.

ASSET MANAGEMENT IMPLICATIONS

The Structure Plan establishes the planning framework for subdivision and development of the area. The City will be financially responsible for maintaining public open space, roads, verge trees and footpaths once the area has been developed.

ENVIRONMENTAL/PUBLIC HEALTH IMPLICATIONS

Relevant environmental implications have been identified and discussed in this report. There are no public health implications of this proposal.

COMMUNITY ENGAGEMENT

Public advertising of the Structure Plan amendment was undertaken in accordance with the requirements of Schedule 2, Part 4 clause 18(1)(c)(ii) of the *Planning and Development (Local Planning Schemes) Regulations 2015* for a period of 42 days from 1 May to 11 June 2025. It comprised of the following:

- Letters sent to surrounding owners and residents,
- Display of two signs on site, fronting Challenger Avenue and Mears Avenue,
- Notice information and documents published on the City's engagement website Love My Kwinana, and
- Notice to relevant State government agencies.

A total of five submissions were received during the advertising period. Three submissions were received from community during the advertising period, two objecting and one neutral. Two submissions were received from agencies, including Department of Fire and Emergency Services and Main Roads WA.

A summary of each submission is detailed in the Schedule of Submission Attachment. Where relevant the issues raised have been considered in the previous sections of this report and are responded to in Attachment.

ATTACHMENTS

1. Challenger Precinct Structure Plan and Attachments Amendment 1 (Part One, Addendum, and Attachments Combined) [17.1.1 - 146 pages]
2. Supporting Documents - Concept Landscape Masterplan and Significant Tree Plan [17.1.2 - 2 pages]
3. Schedule of Submissions [17.1.3 - 4 pages]

17.2 PROPOSED CLOSURE OF PUBLIC ROAD OVER THE PEEL MAIN DRAIN CORRIDOR - BERTRAM ROAD CULVERT TO JOHNSON RD CULVERT WELLARD

SUMMARY

The Peel Main Drain ('the Drain') is an artificial watercourse stretching from Banjup to Karnup, where it discharges into the Serpentine River. Constructed in the 1920s, the Drain was originally designed to dewater wetlands as part of the historic Peel Estate development.

A section of the Drain, located between the Bertram Road Culvert and Johnson Road Culvert, is currently classified as a public road. In accordance with section 55(2) of the *Land Administration Act 1997*, the City is responsible for the ongoing care, control and management of this section.

The Water Corporation has approached the City with a proposal to formally close this portion of the road and reclassify the land as Drainage Reserve, to be placed under the responsibility of Water Corporation pursuant to a Management Order.

It is recommended that Council approve the proposed reclassification, which alleviates the City of its present maintenance responsibilities over the site.

OFFICER RECOMMENDATION

That Council:

- 1. Support the closure of the road reserve located between the Bertram Road Culvert and Johnson Road Culvert, forming part of the Peel Main Drain;**
- 2. Authorise the Chief Executive Officer to give 35 days' public notice of the of the proposal, in accordance with section 58 of the *Land Administration Act 1997*, to close the subject portion of public road;**
- 3. Subject to no objections being received, progress the formal road closure with the Department of Planning, Lands and Heritage (DPLH) and request that the land be designated as a Drainage Reserve, to be placed under the care, control, and management of Water Corporation.**

VOTING REQUIREMENT

Simple majority

DISCUSSION

The section of land running between the Bertram Road Culvert and the Johnson Road Culvert forms part of the Peel Main Drain. Although functionally forming part of the Drain, this section is currently designated as a public road for the purposes of the *Land Administration Act 1997*.

Public roads are vested in the Crown and fall under the care, control, and management of the relevant local government.

As a result of surrounding land development encroaching into the Peel Main Drain corridor, the City has received a request from the Water Corporation to formally close the public road and create a Drainage Reserve.

The closure will enable Water Corporation to assume full responsibility for the Peel Main Drain, including ongoing maintenance of the drain, associated access tracks and Mosquito management. This transition allows the City to better allocate resources to other priority areas, reducing duplication of responsibilities.

A 'Dial Before You Dig' assessment has been completed to ensure that no existing infrastructure or emergency access requirements will be adversely affected by the proposed reclassification. This confirmed that the proposed changes will not hinder the City's emergency response or operational needs in the area, with no excavation or structural changes required.

Note that a portion of land within Bertram Road falls within the proposed reclassification area. This section is intended to be included in the proposed reclassified. Further, a minor portion of the area proposed for closure is to be disposed of privately, to form part of an adjoining property development. These aspects will be managed by DPLH.

STRATEGIC IMPLICATIONS

Outcome:	Environmental Stewardship / Ngalla djoorapiny ngank boodjar (Looking after mothers' beautiful country)
Objective:	Support biodiversity and natural landscape conservation
Action in CBP:	Implement the Natural Areas Management Plan
Action in CBP:	Implement the Water Plan
Action in CBP:	Implement and review the Integrated Mosquito and Midge Management Plan

How does this proposal achieve the outcomes and strategic objectives?

The proposed supports environmental objectives and compliance with State policies on wetland and watercourse protection. Relieving the City of maintenance obligations enables more focused investment in community-facing infrastructure.

SUSTAINABILITY FRAMEWORK

Sustainability Guiding Principle

7 - Generational Value Creation

Sustainability Priority Area

6 - Responsible Investment and Procurement

How does this proposal achieve the guiding principle and priority area?

By transferring the relevant land into a Drainage Reserve under Water Corporation's responsibility, the City is enabling specialised oversight that prioritises ecosystem health, water quality, and land conservation, which are crucial to delivering value not only for the present community but also for future generations.

Importantly, this action allows for the protection and preservation of a key water corridor and conservation category wetlands, including the area known as Bollard Bullrush, which plays a vital role in regional biodiversity and ecological resilience. By ensuring these assets are managed by an

entity with dedicated resources and expertise in water and drainage infrastructure, the City is safeguarding their long-term viability and ecological function.

LEGAL/POLICY IMPLICATIONS

Land Administration Act 1997:

58. Closing roads

- 1) *When a local government wishes a road in its district to be closed permanently, the local government may, subject to subsection (3), request the Minister to close the road.*
- 2) *When a local government resolves to make a request under subsection (1), the local government must in accordance with the regulations prepare and deliver the request to the Minister.*
- 3) *A local government must not resolve to make a request under subsection (1) until a period of 35 days has elapsed from the publication in a newspaper circulating in its district of notice of motion for that resolution, and the local government has considered any objections made to it within that period concerning the proposals set out in that notice.*
- 4) *On receiving a request delivered to him or her under subsection (2), the Minister may, if he or she is satisfied that the relevant local government has complied with the requirements of subsections (2) and (3) —*
 - (a) by order grant the request; or*
 - (b) direct the relevant local government to reconsider the request, having regard to such matters as he or she thinks fit to mention in that direction; or*
 - (c) refuse the request.*
- 5) *If the Minister grants a request under subsection (4) —*
 - (a) the road concerned is closed on and from the day on which the relevant order is registered; and*
 - (b) any rights suspended under section 55(3)(a) cease to be so suspended.*
- 6) *When a road is closed under this section, the land comprising the former road —*
 - (a) becomes unallocated Crown land; or*
 - (b) if a lease continues to subsist in that land by virtue of section 57(2), remains Crown land.*

FINANCIAL/BUDGET IMPLICATIONS

Water Corporation have been advised that all costs associated with the closure including administration, advertising and any survey or Landgate fees will be borne by them.

ASSET MANAGEMENT IMPLICATIONS

The Peel Main Drain was originally constructed to provide regional drainage for agricultural lands, including former farming pastures and paddocks. Over time, as urban development expanded in the surrounding areas, the drain has evolved to become a critical component of the regional stormwater drainage network.

It now functions as a major conduit for stormwater runoff from nearby urban developments, contributes to the hydrological support of the Bollard Bullrush Wetlands (a conservation category wetland), and ultimately discharges into the Serpentine River system, forming part of the broader catchment and water management infrastructure in the region.

ENVIRONMENTAL/PUBLIC HEALTH IMPLICATIONS

The transfer of the Peel Main Drain to the Water Corporation will place responsibility for managing key environmental and public health risks with the appropriate authority. This includes controlling mosquito breeding through regular maintenance to ensure continuous water flow and prevent stagnant or deep pooling areas, as well as managing fertiliser runoff to maintain water quality and ecological balance. These measures will support healthier wetland systems and reduce public health risks associated with mosquito-borne diseases.

COMMUNITY ENGAGEMENT

Community advertising in regards to the proposed road closure and creation of said Drainage Reserve for a period of 35 days via public notice in the local paper, notification to service agents and social media.

ATTACHMENTS

1. Letter Water corp to close Proad Peel Main Drain [**17.2.1** - 2 pages]
2. Case 250019 Proposed tenure allocation of UCL Lot 500 on D P 68787 - Case 2501159 [**17.2.2** - 1 page]

18 REPORTS - CIVIC LEADERSHIP

18.1 MONTHLY FINANCIAL REPORT JUNE 2025

SUMMARY

The Monthly Financial Reports has been prepared and includes the monthly financial variance between actual and budget for the period ending 30 June 2025.

OFFICER RECOMMENDATION

That Council:

1. **Accepts the Monthly Statements of Financial Activity for the period ended 30 June 2025, as detailed at Attachment 18.1.1; and**
2. **Accepts the explanations for material variances for the period ended 30 June 2025, as detailed at Attachment 18.1.1.**

VOTING REQUIREMENT

Simple majority

DISCUSSION

The purpose of this report is to provide a monthly financial report in accordance with Section 6.4 of the *Local Government Act 1995*. This report is a summary of the financial activities of the City at the reporting date 30 June 2025 and includes the following key reporting data:

- Statement of Financial Activity by Nature or Type
- Statement of Financial Position
- Net Current Funding Position
- Outstanding debtors (Rates and Sundry Debtors)
- Capital Acquisitions
- Borrowings
- Cash Reserves
- Operating and Non-Operating Grants and Contribution

Closing Surplus Position

As of June 2025, the municipal surplus is \$16,275,477, exceeding the budgeted amount of \$907,026. This increase in surplus is primarily due to timing of income and expenditure including reserve transfer which will be addressed as part of end of year process. The closing financial position is still subject to end of year adjustments and will be reported to Council once the year end audit is completed.

Revenue Summary for June 2025

Year-to-date income for the period ending June 2025 is \$83,644,259, compared to the current budgeted income of \$84,714,495 resulting in a variance of \$1,070,236. This income includes revenue from capital grants, subsidies, and contributions.

Expenditure Summary for June 2025

The total expenditure for June 2025 was 102,999,176 which is \$257,038 less than the current budget of \$106,035,055. This amount includes both operating and capital expenses, detailed as follows:

- Operating expenses: \$92,358,934
- Capital acquisitions: \$10,640,242

For detailed information on significant variances on operating and capital expenditure against the current budget, refer to Note 1 and Note 6 in the Monthly Financial Report attached as Attachment A.

Rates Receivables

For the 2024/2025 financial year, the rates notices were issued on 2 August 2024, whereas the previous year's issue date was 14 July 2023. As a result, 6.86% of the rates remain pending this year, compared to 3.43% at the same time last year. This difference is due to the later issuance of rates notices due to the transition of Rates Modules to Technology One. The recoveries will occur in the first quarter of the new financial year.

Investment Summary

The City currently has \$ 93,152,792 in its investment portfolio, managed in accordance with the City's Investment Policy. A primary objective is to ensure these funds are invested in sustainable and ethical instruments that align with the City's Sustainability Framework initiatives. As of June 2025, 21.78% of the total portfolio is allocated to fossil fuel-free investments. For further information on the City's investment portfolio, please refer to Note 3 in the Monthly Financial Report attachment.

STRATEGIC IMPLICATIONS

There are no strategic implications as a result of this proposal.

SUSTAINABILITY FRAMEWORK**Sustainability Guiding Principle**

3 - Thriving Local Economy

Sustainability Priority Area

3 - Liveability

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

Any material variances that have an impact on the outcome of the budgeted closing surplus position are detailed at Attachment A.

ASSET MANAGEMENT IMPLICATIONS

There are no asset management implications associated with this report.

ENVIRONMENTAL/PUBLIC HEALTH IMPLICATIONS

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

COMMUNITY ENGAGEMENT

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

ATTACHMENTS

Nil

18.2 APPOINTMENT OF VOTING DELEGATES AND PROXY VOTING DELEGATES ON BEHALF OF THE CITY OF KWINANA AT THE ANNUAL GENERAL MEETING OF THE WESTERN AUSTRALIAN LOCAL GOVERNMENT ASSOCIATION

SUMMARY

The Western Australian Local Government Association (WALGA) 2025 Annual General Meeting (AGM) is scheduled to be held Tuesday, 22 September 2025. As a member of WALGA, the City of Kwinana (City) has been requested to appoint two voting delegates and two proxy voting delegates to exercise voting entitlements on behalf of the City. To ensure appropriate representation by the City, it is recommended that Mayor Peter Feasey and a second Elected Member be appointed as voting delegates. Further, that two additional Elected Members be nominated to act as the proxy voting delegates.

OFFICER RECOMMENDATION

That Council:

- 1. Appoint Mayor Peter Feasey and Councillor..... as voting delegates and Councillors and as proxy voting delegates for the Annual General Meeting of the Western Australian Local Government Association; and**
- 2. Direct the Chief Executive Officer to notify WALGA of the above appointments.**

VOTING REQUIREMENT

Simple majority

DISCUSSION

WALGA represents the interests of the Local Government sector, provides leadership on key Local Government issues, delivers products and services that provide significant benefits to its members and promotes a positive profile for Local Government within the wider community.

The City, as a member of WALGA, is required to nominate and notify WALGA of its two voting delegates and two proxy voting delegates to attend its upcoming AGM.

STRATEGIC IMPLICATIONS

There are no strategic implications as a result of this proposal.

SUSTAINABILITY FRAMEWORK

Sustainability Guiding Principle

6 - Resilient and Adaptable Communities

Sustainability Priority Area

4 - Engagement and Social Inclusion

7 - Innovation

LEGAL/POLICY IMPLICATIONS

No legal/policy implications have been identified as a result of this report or recommendation.

FINANCIAL/BUDGET IMPLICATIONS

There is no cost to the City for attendance by its representatives at the WALGA AGM. Elected Members attending the event will be entitled to claim travel attendance in accordance with the City's Elected Members Allowances, Expenses and Gifts Policy.

ASSET MANAGEMENT IMPLICATIONS

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

ENVIRONMENTAL/PUBLIC HEALTH IMPLICATIONS

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

COMMUNITY ENGAGEMENT

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

ATTACHMENTS

1. 2025 WALGA AGM Notice of Meeting [**18.2.1** - 2 pages]

18.3 LOCAL GOVERNMENT ELECTIONS - REVIEW OF ELECTION PERIOD

SUMMARY

The Minister for Local Government has recently indicated an interest in reviewing the frequency of local government elections in Western Australia in response to concerns about voter fatigue. Western Australia is currently the only jurisdiction in Australia that conducts biennial local government elections, while all other states and territories hold full council elections every four years.

WALGA is seeking Council's feedback on whether to support a shift to a four-year election cycle. A move to four-yearly elections would align WA with national standards, reduce electoral costs by up to 50%, lessen voter fatigue, improve strategic focus and induction processes, and strengthen accountability by enabling electors to assess the performance of the full Council as a team.

The City of Kwinana previously supported this reform through a motion at the WALGA South Metro Zone meeting in 2023, and support for this change has since grown across the sector.

OFFICER RECOMMENDATION

That Council:

1. **Endorses the position that ordinary local government elections in Western Australia should be held on a four year, all-in/all-out basis;**
2. **Supports WALGA advocating for legislative change to transition from the current biennial election cycle to a four-year election cycle;**
3. **Not support compulsory voting for Local Government elections in Western Australia; and**
4. **Advises WALGA of the City of Kwinana's position by the requested deadline for inclusion in the 5 September 2025 State Council Meeting.**

VOTING REQUIREMENT

Simple majority

DISCUSSION

Western Australia remains the only jurisdiction in Australia where local government elections are held every two years, with half the council elected at each cycle. In contrast, all other Australian states and territories hold full council elections every four years. The current staggered system in WA was originally introduced to ensure continuity and avoid full council turnovers, but growing sector feedback and recent commentary from the Minister for Local Government suggest a shift to a four-year, all-in/all-out model is now widely supported.

Key concerns have emerged regarding the effectiveness of biennial elections. Voter fatigue is increasingly cited as a cause of persistently low participation rates, with turnout at the 2023 City of

Kwinana election at just 32.1%. In years like 2025, when State, Federal, and Local elections occur within months of each other, the frequency of voting contributes to civic disengagement. Evidence suggests that fewer, more significant elections are more likely to attract voter interest and participation.

The cost implications of maintaining biennial elections are also considerable. Since 2015, the City of Kwinana has experienced a 263% increase in election costs, rising from \$62,313 to \$173,392 in 2023. Costs are projected to exceed \$226,000 by 2027. This trend is reflected statewide, with WA Electoral Commission (WAEC) charges increasing sharply due to factors such as new voting systems and inflation. Moving to a four-year cycle would potentially halve these expenses over time, freeing up resources for community services.

From a governance and operational perspective, biennial elections create disruptions to strategic planning and induction. In addition the implementation of caretaker periods prior to an election means that in a four year period approximately four months could be lost for progressing Council projects due to tender and procurement restrictions. Staggered terms mean new councillors must be onboarded more frequently, which fragments induction processes and reduces opportunities for consistent training. A unified council elected every four years would enable collective induction, better strategic alignment with the Strategic Community Plan, and a stronger team culture. The risk of full council turnover, while theoretically possible, is rare in practice across other jurisdictions and generally reflects necessary democratic renewal.

While some have suggested compulsory voting as a means to increase turnout, the City does not support this approach. Compulsory voting risks reducing the quality of civic participation, may create administrative burdens, and is not supported widely across the local government sector. Instead, increasing voter engagement through less frequent, more meaningful elections is considered a more effective solution.

The City of Kwinana has previously endorsed this reform at a South Metro Zone meeting and remains well-placed to reaffirm its position.

STRATEGIC IMPLICATIONS

There are no strategic implications as a result of this proposal.

SUSTAINABILITY FRAMEWORK

Sustainability Guiding Principle

8 - Integrated and Transparent Decision-making

Sustainability Priority Area

3 – Liveability

LEGAL/POLICY IMPLICATIONS

There are no direct legal or policy implications arising from the report until such time as further legislative changes (if any) occur as a result from such advocacy.

FINANCIAL/BUDGET IMPLICATIONS

Election costs are dictated by the district's population size as well as the number of seats required to filled, and have increased significantly for the City in recent years:

- 2015 - \$62,313.00

- 2017 - \$86,940.00
- 2019 - \$95,535.00
- 2021 - \$115,979.00
- 2023 - \$173,392.00

ASSET MANAGEMENT IMPLICATIONS

There are no asset management implications that have been identified as a result of this report or recommendation.

ENVIRONMENTAL/PUBLIC HEALTH IMPLICATIONS

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

COMMUNITY ENGAGEMENT

There may be implications for community engagement as a result of these changes should the State Government proceed with the change in Local Government election cycles. Appropriate community engagement will need to be undertaken to address any concerns that may arise.

ATTACHMENTS

Nil

18.4 AMENDMENT OF SCHEDULE OF FEES AND CHARGES - BANKSIA PARK RETIREMENT ESTATE

SUMMARY

The City of Kwinana has recently completed a comprehensive review of lease arrangements at the Banksia Park Retirement Estate to support the financial sustainability of the Estate and maintain a high standard of living for residents.

The review focused on the structure and application of the Deferred Management Fee (DMF). This included a detailed analysis of how the DMF compares to long-term asset management and renewal costs, as well as the costs associated with villa upgrades and renovations. Given that lease agreements are contractual in nature, the review also examined the alignment of the DMF with the Schedule of Fees and Charges.

As a result of the review, it was determined that the DMF is a contractual arrangement and not a statutory fee charged in relation to a good or service provided by the City. As such, it should be removed from the publicly listed Schedule of Fees and Charges.

Secondly, the current DMF model no longer adequately supports a financially sustainable funding framework for long-term asset renewal and management within the Village. The updated approach is designed to better reflect the true costs of maintaining and enhancing the Banksia Park Retirement Estate into the future.

Importantly, the revised DMF structure will apply only to new lease agreements. Existing residents will not be affected by these changes.

OFFICER RECOMMENDATION

That Council:

- 1. Approves the removal of the Deferred Management Fee from the Schedule of Fees and Charges.**
- 2. Notes the amendment to the Deferred Management Fees as follows:**

Item	Current Description	Amended Description	Fee
1	A Deferred Management Fee (DMF) of 2.5% per annum for a maximum of 10 years is charged when the resident sells the lease to another person.	A Deferred Management Fee (DMF) of 5% per annum for 5 years followed by 1% per annum, capped at 30% after 10 years is charged when the resident sells the lease to another person.	Subject to Market Value

VOTING REQUIREMENT

Absolute majority

DISCUSSION

Schedule of Fees and Charges

Residents of Banksia Park Retirement Estate enter into a contractual arrangement with the City of Kwinana through a lease agreement. These agreements set out the financial and operational terms applicable to their residency. The Chief Executive Officer is authorised to execute all necessary lease documentation in accordance with the Executions of Documents Policy.

In 2020, the Deferred Management Fee (DMF) payable by Banksia Park residents was included in the City's adopted Schedule of Fees and Charges for the first time since the inception of the Estate.

Under section 6.16(1) of the *Local Government Act 1995* (WA), a local government may impose fees or charges for the provision of goods or services it provides. However, the DMF arises under the terms of individual lease agreements and is a contractual obligation, not a statutory fee or charge related to a good or service. As such, it does not fall within the scope of section 6.16(1) and it not subject to the public notice requirements under section 6.19.

It is therefore recommended that the DMF be removed from the Schedule of Fees and Charges. This approach aligns to that taken by other local governments operating retirement villages.

Deferred Management Fee

Banksia Park Retirement Estate provides independent living accommodation for residents aged over 55 years within the City of Kwinana. Operating under a lease-for-life model, residents pay an upfront entry contribution, and when they vacate the are refunded the upfront contribution reduced by the DMF charge.

The lease-for-life purchase fee in retirement villages is often called an entry payment, ingoing contribution, or capital contribution. This is a lump-sum fee residents pay up front to secure the right to live in a unit for their lifetime under a lease-for-life agreement. Unlike traditional property ownership, the land title does not transfer to the resident; instead, they gain exclusive occupation rights for the duration of their life through the lease.

The DMF is a critical financial mechanism that contributes to the cost of refurbishments, ongoing infrastructure renewals, and general upkeep of estate facilities. This model supports long-term asset management and preserves the quality of living for both current and future residents.

The DMF model is intentionally designed to reduce the initial costs of entering a retirement village/estate. Rather than paying all of the management fees upfront or through high ongoing charges, a DMF defers a significant portion of payment to when the resident leaves. This enables retirees to free up capital, allowing them to access a higher standard of accommodation or to have more disposable funds during their retirement years

The current DMF structure has remained unchanged since the establishment of the Estate in 1995 and is no longer reflective of:

- Market conditions and comparative industry standards,
- Rising operational and maintenance costs,
- Increasing reinvestment requirements to maintain the amenity and liveability of the Estate.

Recent villa upgrades, together with known asset deterioration—such as essential underground plumbing pipework—have reinforced the urgent need to revise the DMF structure. Without adjustment, the Estate's financial model may become unsustainable, risking a decline in service levels and asset condition.

A desktop benchmarking analysis was undertaken comparing similar retirement villages across the region. The review highlighted that the Banksia Park Retirement Estate is significantly undervalued in terms of its DMF rate, resulting in under-recovery of costs and limited reinvestment capacity.

In conjunction, financial modelling was undertaken to forecast future asset management needs. This modelling confirms that without an increase to the DMF, the City will not be in a position to meet essential renewal and maintenance requirements in the medium to long term.

The increased DMF is essential to:

- Preserve asset quality and compliance,
- Sustain the Estate's operations without shifting costs to ratepayers,
- Provide equitable and transparent outcomes for residents,
- Ensure the long-term viability of the lease-for-life model.

To improve cost recovery and ensure the financial sustainability of the Banksia Park Retirement Estate, the DMF structure will adopt a front-loaded accrual model, where a higher percentage is applied during the initial years of residency, while the fee itself remains payable only upon exit.

Front-loading the DMF charges effectively balances affordability, transparency, and quality of life for retirees, while ensuring financial sustainability for the City. It ensures that costs are not hidden nor do they unexpectedly balloon for residents who remain in the estate for extended periods, supporting both peace of mind and strong estate management

The model also better aligns with contemporary industry practices, reduces financial risk, and provides more predictable income to support timely reinvestment into village assets. This revised accrual structure ensures that residents who benefit from the Estate's services and amenities during the early years contribute more proportionately to long-term asset upkeep.

STRATEGIC IMPLICATIONS

Outcome: Quality of Life / Ngalang moorditj wirrin (Our strong spirit)

Objective: Pride in our place

N/A - There is no specific action in the CBP, yet this report will help achieve the indicated outcomes and strategic objectives.

Outcome: Built Environment/ Ngalak Moort Mia Mia (Family gathering places)

Objective: Building communities

N/A - There is no specific action in the CBP, yet this report will help achieve the indicated outcomes and strategic objectives.

Outcome: Leadership / Boordiya Katidjin (Leader of knowledge)

Objective: Accountable and ethical governance

N/A - There is no specific action in the CBP, yet this report will help achieve the indicated outcomes and strategic objectives.

SUSTAINABILITY FRAMEWORK

Sustainability Guiding Principle

- 2 - Community Wellbeing
- 3 - Thriving Local Economy
- 6 - Resilient and Adaptable Communities
- 8 - Integrated and Transparent Decision-making

Sustainability Priority Area

- 6 - Responsible Investment and Procurement

How does this proposal achieve the guiding principle and priority area?

This proposal delivers a financially sustainable and sound asset management model for the future of the Banksia Park Retirement Estate.

LEGAL/POLICY IMPLICATIONS

Local Government Act 1995

6.16. Imposition of fees and charges

(1) A local government may impose* and recover a fee or charge for any goods or service it provides or proposes to provide, other than a service for which a service charge is imposed.

** Absolute majority required.*

(2) A fee or charge may be imposed for the following —

- (a) providing the use of, or allowing admission to, any property or facility wholly or partly owned, controlled, managed or maintained by the local government;
- (b) supplying a service or carrying out work at the request of a person;
- (c) subject to section 5.94, providing information from local government records;
- (d) receiving an application for approval, granting an approval, making an inspection and issuing a licence, permit, authorisation or certificate;
- (e) supplying goods;
- (f) such other service as may be prescribed.

(3) Fees and charges are to be imposed when adopting the annual budget but may be —

- (a) imposed* during a financial year; and
- (b) amended* from time to time during a financial year.

** Absolute majority required.*

6.19. Local government to give notice of fees and charges

If a local government wishes to impose any fees or charges under this Subdivision after the annual budget has been adopted it must, before introducing the fees or charges, give local public notice of:

- (a) its intention to do so; and
- (b) the date from which it is proposed the fees or charges will be imposed.

FINANCIAL/BUDGET IMPLICATIONS

Financial implications are detailed below:

Item	Current Description	Amended Description	Fee
1	A Deferred Management Fee (DMF) of 2.5% per annum for a maximum of 10 years is charged when the resident sells the lease to another person.	A Deferred Management Fee (DMF) of 5% per annum for 5 years followed by 1% per annum, capped at 30% after 10 years is charged when the resident sells the lease to another person.	Subject to Market Value

Current Model (average sale approx. \$400,000)

	1 yr	2 yrs	5 yrs	6 yrs	7 yrs	8 yrs	10 yrs
	2.50%	5%	12.50%	15%	17.50%	20%	25%
DMF	\$10,000	\$20,000	\$50,000	\$60,000	\$70,000	\$80,000	\$100,000
Refund	\$390,000	\$380,000	\$350,000	\$340,000	\$330,000	\$320,000	\$300,000

Proposed Model (average sale approx. \$400,000)

	1 yr	2 yrs	5 yrs	6 yrs	7 yrs	8 yrs	10 yrs
	5%	10%	25%	26%	27%	28%	30%
DMF	\$20,000	\$40,000	\$100,000	\$104,000	\$108,000	\$112,000	\$120,000
Refund	\$380,000	\$360,000	\$300,000	\$296,000	\$292,000	\$288,000	\$280,000

The national Retirement Living Census indicates that nationally the average length of stay for Independent Living Unit (ILU) Residents is 8.7 to 9 years. The City data demonstrates that Banksia Park Retirement Estate length of stay is around 7.5 – 8 years.

Based on an 8-year length of stay, with a \$400,000 resale value the adjustments to the DMF model will increase the revenue stream by \$32,000 over 8 years, funding essential maintenance and renovation works upon vacancy.

ASSET MANAGEMENT IMPLICATIONS

The annual Fair Value Indexation Valuation report shows the City will need \$18 million in reserves over the next 20 years to fund asset renewal but currently has only \$440,000. The DMF variation will help ensure ongoing funding for asset maintenance and renewal.

ENVIRONMENTAL/PUBLIC HEALTH IMPLICATIONS

Nil

COMMUNITY ENGAGEMENT

No community engagement is required as this change will only impact new residents when the lease is negotiated.

ATTACHMENTS

Nil

19 NOTICES OF MOTIONS OF WHICH PREVIOUS NOTICE HAS BEEN GIVEN

Nil

20 NOTICES OF MOTIONS FOR CONSIDERATION AT THE FOLLOWING MEETING IF GIVEN DURING THE MEETING

21 LATE AND URGENT BUSINESS

22 REPORTS OF ELECTED MEMBERS

23 ANSWERS TO QUESTIONS WHICH WERE TAKEN ON NOTICE

24 MAYORAL ANNOUNCEMENTS

25 CONFIDENTIAL ITEMS

Nil

26 CLOSE OF MEETING