

CITY OF ARMADALE

MINUTES

OF CITY STRATEGY COMMITTEE HELD IN THE COMMITTEE ROOM,
ADMINISTRATION CENTRE, 7 ORCHARD AVENUE, ARMADALE ON TUESDAY, 15
JANUARY 2002, AT 7.00 PM.

PRESENT:

Cr G M Hodges	Chair
Cr V L Clowes-Hollins	[7pm – 8.25pm]
Cr D L Hopper JP	
Cr J H Munn JP CMC	
Cr L Reynolds JP	
Cr H A Zelones JP	

APOLOGIES:

Cr J A Stewart-	Leave of absence
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OBSERVERS: Nil

IN ATTENDANCE:

Mr R S Tame	- Chief Executive Officer
Mr JHA Adderley	- Executive Director Development Services
Mr A Bruce	- Executive Director Technical Services [7pm – 8.17pm]
Mrs J Dudley	- Acting Executive Director Community & Corporate Services [7pm – 8.07pm]
Mrs S D'Souza	- CEO's Executive Assistant
Public – Nil	

DISCLAIMER

As there were no members of the public in attendance, the Disclaimer was not read at the meeting.

DECLARATION OF MEMBERS' INTERESTS

Page 8	Cr Reynolds	CS2/02.	Auditor Appointment
Page 28	Mr Bruce	CS7/02	Contract of Employment – Executive Director Technical Services
Page 31	Mr Adderley	CS8/02	Executive Director Development Services Position

DEPUTATION

Nil

QUESTION TIME

Nil

CONFIRMATION OF MINUTES

RESOLVED

**Minutes of the City Strategy Committee Meeting held on 11 December 2001,
be confirmed.**

ITEMS REFERRED FROM INFORMATION BULLETIN

INFORMATION BULLETIN – ISSUE NO.1/2002.

The following items were included for information in the “City Strategy section”

- Progress Report on Contingency, Operational and Strategic Projects
- Report on Outstanding Matters
- City Centre Liaison Committee Minutes – December 2001

Committee noted the information and no items were raised for further report.

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CITY STRATEGY COMMITTEE

15 JANUARY 2002

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CHAMPION LAKES RECREATIONAL PARK – UPDATE

WARD : WESTFIELD; SEVILLE
FILE REF : PSC/18
DATE : 18 DECEMBER 2001
REF : GMC
RESPONSIBLE : EDDS
MANAGER
LAND OWNER : WAPC;
CITY OF ARMADALE
SUBJECT LAND : Lots Pt700,701,702 &194
Lake Rd, Westfield
Property size122 ha; Map 21-
07, 21-08, 22-08
MRS/TPS NO.2 : Parks & Reserve / Parks &
Recreation (Region)

In Brief:-

- Environmental and commercial viability consultancy to be completed by July 2002.
- The EPA has set a Public Environmental Review assessment level on the site's development.
- The Perth Whitewater Park group has included the site on a list of 7 potential sites for consideration.
- Soil testing continues with early indication that it may be possible for mutual cost savings in excavating a rowing course at same time as Tonkin Highway construction.
- Recommend that Council note progress and officers actions to facilitate Government involvement and potential early decisions on establishment of a rowing course and "White Water Park" facility at Champion Lakes.

Tabled Items

Nil.

Officer Interest Declaration

Nil.

Strategic Implications

Long Term Strategic Planning Initiative 1.7 - In partnership with State Government, the Region and Private Enterprise, develop a management and funding strategy for a major recreational facility at Wright Lake (Champion Lakes).

Legislation Implications

Champion Lakes is one of the areas that will come under the control of the Armadale Redevelopment Authority.

Council Policy / Local Law Implications

Nil.

Budget / Financial Implications

Funding for consultancy studies and infrastructure is being provided by the WAPC from the Metropolitan Region Improvement Fund. It is expected that State Treasury through the DSR State Sporting Facilities Plan will assist with funding of sporting facilities. No capital expenditure required by the City this year.

Consultation

- ◆ Dept of Planning & Infrastructure
- ◆ Dept of Sport & Recreation
- ◆ Water Corporation
- ◆ Rowing WA
- ◆ Canoeing Association of WA
- ◆ Perth Whitewater Park Association

BACKGROUND

At its meeting in September 2001, Council resolved (CS68/01):-

1. *That Council note the progress on:*
 - a) *the potential for excavation of the lakes by Main Roads making a rowing course viable.*
 - b) *environmental studies consultancy contract shortly to be tendered and funded by WASPC.*
 - c) *Department of Sport & Recreation State Facility funding requirements.*
 - d) *Rowing WA and Canoeing Association of WA interest in Champion Lakes.*
2. *That Council recommend to the Minister for Planning & Infrastructure that a structure be established to enable an advisory body to be set up for the Champion Lakes Recreational Park, to advise the proposed Armadale Redevelopment Authority and to expedite the Champion Lakes project.*
3. *That the new advisory body be of similar membership to that originally proposed to form the Champion Lakes Management Board, with a view to the Board eventually being established.*
4. *The Champion Lakes Master Plan be referred to the EPA to clarify the issues to be incorporated into the planned environmental study.*

COMMENT

1. Armadale Redevelopment Authority

The Champion Lakes project is to be included in the Armadale Redevelopment Authority portfolio of responsibilities. It could be anticipated that the ARA will establish a special reference body chaired by a Member of the Authority to advise the Authority on the project's progress and requirements.

In the interim, pursuit of strategies for development of Champion Lakes, and management of key planning studies is being undertaken by the Department of Planning & Infrastructure, the Armadale Project (ARA) Interim Committee and the City.

This arrangement will be necessary for the next month or two, pending establishment of the ARA and its administrative functions.

2. Studies

The study of environmental, hydrology and geotechnical factors to determine the issues, initial costs and ongoing maintenance costs of water-based activities is now out to tender. A Steering Group chaired by the Coordinator, Environmental Planning, DPI has been established. This group together with a representative of the Department for Environmental Protection (DEP) will oversee the selected consultant's study. The selected consultant is to report by the middle of July 2002.

Application has been made to the Environmental Protection Authority for an assessment of the Champion Lakes development and the EPA has set a Public Environmental Review (PER) requirement. At this stage it is proposed that this process start with the completion of the consultant's report. With good initial planning and management, the PER and Ministerial approval can be completed by the end of the year.

Council will seek fast tracking of these stages to ensure no opportunities are lost for coordination with Tonkin Highway works.

Aboriginal heritage and cultural investigations are a part of the EPA assessment. McDonald Hales and Associates are currently conducting this study.

It will be necessary to initiate a further more detailed planning and landscaping study towards the end of the environmental and commercial viability studies. The viable activities can then be planned into the site and a detailed site contour and landscaping plan produced. The principal objective is to determine the site requirements for excavation and contouring of principal water bodies and avoid either removing or importing fill unnecessarily in the future.

3. Funding of Facilities

The Department of Sport & Recreation has produced a State Facilities Plan to prioritise and program major sporting facilities to be funded by the State.

A rowing course and "white water" canoeing facility are currently on the list of suggested 10 major projects.

For facilities such as the rowing course and "white water" canoeing to be considered for funding, the proponent sporting body is now required to complete a comprehensive proposal to justify its merit. The DSR has agreed to coordinate the relevant sporting bodies requests for funding. It is planned that funding considerations will be investigated over the next 6 months to coincide with key planning activities for Champion Lakes.

Strong Council support of these submissions will be necessary if the Region is to attract one, or both, of these proposals.

4. Potential Activities

The feasibility of a rowing course will depend on external funding but its potential increases as the environmental and financial investigations, referred to above, continue.

Additionally, the WA Canoeing Association "White Water" Project Group has selected 7 possible metropolitan sites (including Champion Lakes) to accommodate a "white water" canoe facility and will be conducting a market research study to determine use and patronage at each location. The group will incorporate that information into an assessment of all sites. The "white water" project will need State Treasury funding and indications are that the DSR favour funding multi use facilities. If the rowing course is feasible at Champion Lakes then the odds are much improved for the "white water" project to also be located at Champion Lakes.

It is planned to hold a meeting of the various organisations interested in Champion Lakes in February 2002, with DSR and DPI representatives, to update them on developments at Champion Lakes, examine funding options for facilities and achieve consensus to promote rowing and canoeing facilities at Champion Lakes

5. Excavation

Main Roads WA is considering Council's proposal that fill from the Champion Lakes Rowing Course site may be suitable for the Tonkin Highway extension requirements. Soil analysis from test boreholes is underway and at this stage looks encouraging.

If the fill is suitable, and if the Government is otherwise committed to a rowing course at Champion Lakes, Main Roads WA programme will require the selected contractor to start excavation at the end of the year. This has dictated the program to obtain EPA clearances before then.

If savings for both projects look feasible, the urgent timing of the Tonkin Highway extension will demand early decisions on the rowing course (or other) excavation. It may also demand early (or pre) funding of Champion Lakes works to coincide with the Tonkin Highway programme.

CS1/02 RECOMMEND

- 1. That Council note progress on the Champion Lakes Regional Park project, particularly action to facilitate:-**
 - a) an environmental and land management study consultancy contract funded by WAPC and programmed to report in mid July 2002;**
 - b) investigation of the Department of Sport & Recreation State Facility funding availability for the rowing course and "white water" project.**
 - c) the potential for controlled excavation of the rowing course site by Main Roads WA starting at the end of 2002;**

2. **That Council note the EPA has set a Public Environmental Review level of assessment for the development of Champion Lakes.**
3. **That Council note that the WA Canoeing Association “Perth Whitewater Park” group has included Champion Lakes on its short list of sites under consideration for this project.**

Moved Cr Reynolds
Motion Carried (6-0)

Cr Reynolds disclosed that Barrett & Partners are his accountants. As a consequence, there may be a perception that his impartiality on the following matter may be affected, but declared that he would disregard this association, consider the matter on its merits and vote accordingly.

AUDITOR APPOINTMENT

WARD All
FILE REF: FIN/6
DATE 4 January 2002
REF JD/RT
RESPONSIBLE Executive Manager
MANAGER Business Services

In Brief:

- The Audit Contract Agreement with Barrett & Partners – DFK for the financial years 1998-99 to 2000-01 has now expired.
- It is recommended that Barrett & Partners – DFK be appointed auditors for the 2001-02 financial year, pending preparation of tender documentation for 2002-03 and beyond.
- It is recommended that the matter of scope and terms of future audits be referred to Council's Audit Committee.

Officer Interest Declaration

Nil

Strategic Implications

Nil

Legislation Implications

*Local Government Act 1995 Section 7.3 **Appointment of auditors** states:*

- (1) A local government is to, from time to time whenever such an appointment is necessary or expedient, appoint** a person to be its auditor.*
- (2) The local government may appoint one or more persons as its auditor.*
- (3) The local government's auditor is to be a person who is –*
 - (a) a registered company auditor; or*
 - (b) an approved auditor.*

***Absolute majority required.*

*The Local Government Act 1995 Section 7.7 **Executive Director may appoint auditor** states:*

If by 30 November in any year a local government has not appointed an auditor the Executive Director may appoint-

- (a) a qualified person; or*
- (b) in default of an appointment under paragraph (a), the Auditor General, to be the auditor of the local government's accounts and annual financial report for the relevant financial year.*

Council Policy/Local Law Implications

Tendering and Purchasing Policy

Budget/Financial Implications

Nil

Consultation

Department of Local Government and Regional Development

BACKGROUND

Council's current audit contract has expired requiring arrangements to be urgently set in place for the current financial year.

Barrett & Partners – DFK have been Council's auditors since 1989-90, with their most recent three year contract expiring at the conclusion of the 2000-01 financial year. Their contract stated that the Contract Agreement was "effective during the period of the contract unless it is terminated, amended or superseded".

Advice regarding extension of term under Local Government Tender Regulations over recent years have clearly indicated the extensions of term are not an option unless clearly indicated in the original Tender. Consequently, the option of simply "extending" is not available.

Council needs to make an interim arrangement while new Audit Tender terms and documentation are prepared. It is proposed to involve Council's Audit Committee in setting the scope and terms of the next Audit Tender. Whilst the Terms of Reference for the Audit Committee have been drafted, a meeting has not yet been held to ratify their adoption. A meeting of the Audit Committee will be scheduled during February.

Clearly, the time required to initiate the call for expressions of interest, issue tender documentation and make an appointment require an interim arrangement for the current year. Interim audit work is generally begun several months before the financial year end, commonly in February or March.

The Department of Local Government and Regional Development has confirmed that the Local Government Act allows for the appointment of auditors as indicated under Section 7.3 i.e. "*A local government is to, from time to time whenever such an appointment is necessary or expedient, appoint a person to be its auditor*".

COMMENT

Considerations

Previous annual charges for audit were approximately \$16,000. This is quite a moderate fee for such services. The ongoing knowledge of our business environment enabled the previous auditors to undertake their services for a reasonable if not modest fee. Incoming auditors, if

they are new to our processes, will incur higher costs as they need to be able to familiarise themselves with our internal control environment. For this reason most audit firms prefer contract period greater than 12 months in order for them to assuage establishment costs. The probability of another auditor firm being able to provide this service at comparative cost for a single year is unlikely. If our previous auditors were to be appointed for the current year, the costs would be in line with prior years.

The City's relationship with Barrett & Partners exceeds 10 years. It is considered prudent to test the market for professional services such as these from time to time. Consequently, the calling of Expressions of Interest or Tenders is a necessary step and it is expected that Barrett & Partners will be a strong applicant at the time.

With regard to the interim arrangement for 2001-02, Council's Tendering and Purchasing Policy requires three written quotes for contracts between \$10,000 and \$50,000. The Chief Executive Officer or relevant Director may vary this where it is "not possible to comply". In this instance, while it may be "possible" to arrange quotations, indications are that it would be an unfair expectation of firms to prepare costs and quotations based on start-up for such a short term.

It is suggested that for practical considerations, the Policy be varied and Council appoint Barrett & Partners - DFK for one year only (2001-02) in order to comply with Section 7.3 of the Local Government Act, allowing tender documents to be prepared for the next three to five year term.

The Department of Local Government and Regional Development ("the Department") also has power under the Local Government Act to appoint an auditor under Section 7.7. The Department does not propose to appoint, is aware of Council's situation and advise that the proposed interim arrangement is appropriate under the circumstances.

Options

1. Do not seek to appoint our own auditors but instead request that the Department appoint an auditor under Section 7.7
2. Endeavour to obtain three quotes for the 2001-02 financial year audit.
3. Appoint the previous auditors to conduct the audit for the 2001-02 financial year.

The Audit Committee will participate in determining the scope of future financial audits and the development of tender criteria for the next audit contract.

~~The Chief Executive officer clarified that the appointment of the auditor for the last three years was not subject of a tender. This would be the first time Council formally called tenders for this service.~~

With the focus being on completion of the audit for 2000/2001 earlier than in previous years, the initiation of the new tender process had been overlooked. Consequently, there is need for an interim arrangement pending calling of tenders.

CS2/02 RECOMMEND

- 1. That Council appoint Barrett & Partners – DFK as the City’s auditors for the 2001-02 financial year.**

**** ABSOLUTE MAJORITY REQUIRED**

- 2. That the matter of scope and terms of future audits be referred to Council’s Audit Committee prior to inviting Expressions of Interest/Tenders for 2002-03 and beyond.**

Amended
Council
21-1-02

- 3. That Council be advised of the arrangements that have been put in place to monitor the expiry of contracts.**

Moved Cr Munn
Motion Carried (6-0)

CUSTOMER SERVICE CHARTER

WARD ALL
FILE REF: RCM/12
DATE 3 JAN 2002
REF CB
RESPONSIBLE EDTS
MANAGER

In Brief:

- A Draft Charter and Information Booklet that include a Customer Service Charter and Customer Handling system was presented to Council in September 2000.
- Following the implementation of an Intra-Directorate Working Party, the Draft was reviewed and suitably modified.
- The Community Service Charter currently in use is recommended to Council for adoption.

Officer Interest Declaration

NIL

Strategic Implications

Communication

Identify effective approach to deliver specific message to target audiences.

Develop a communication framework for the City (including community network and media)

Legislation Implications

General assessment of relevant legislation (eg Local Government Act) has not revealed any restrictions.

Council Policy/Local Law Implications

General assessment has not revealed any applicable Policies/Local Laws

Budget/Financial Implications

Minimal initially, but could be up to \$5,000 if printed copies to be despatched in 2002 rates mail-out.

Consultation

Intra-Directorate Working Party

BACKGROUND

Council received a Draft Charter of the Service and Information Booklet including the Customer Service Charter and Complaint Handling Procedure at its meeting held 18 September 2001 (CS61/00).

A working group was formed to address the relevant issues and any new strategies/suggestions contained in the Draft Charter, ensuring commitments stated were practicable and could be achieved with existing resources.

DETAILS OF PROPOSAL

After a number of meetings the following was achieved:

1. The development of an “In-House” Complaint Handling System, initially trialed within Technical Services then suitably modified for the Development Services and Community and Corporate Services Directorates.
2. The review of the Draft Charter of Service and Information Booklet was completed.

COMMENT

Council will be aware that the term “Customer Service” has been around for the past decade and has become somewhat overused, implying a customer/ commercial relationship rather than the citizen / community relationship. In an attempt to separate the City from this perception, it is proposed to use the term “Community Service” and “Community Service Charter”. It also indicates that the City provides a service for the whole community.

Attached overleaf is the proposed “Community Service Charter” which shows the City’s commitment to service under the heading “Service Charter” as well as each employee’s responsibility for providing quality service under the heading “Staff Charter”.

Also attached is a “Service Quality Form” that has been developed to gauge performance and to obtain community feedback on service delivery.

FINANCIAL IMPLICATIONS

Should Council wish to present the Community Service Charter to all residents, printing costs are estimated between \$3,500 and \$5,000 including the cost of photography.

As a separate mail-out would cost approximately \$9,000 it is suggested that the Charter not be distributed but be given publicity and introduced through day to day operations and current Council publications. eg. Strategic Plan, Armadale Alive, Annual Report.

Subject to some minor modification, Committee expressed its support for the Charter. It was noted that the introduction of such a process would assist the City in responding in the event of any enquiry by the Ombudsman. It was also considered necessary that complaints received and handled be monitored and a reporting mechanism be put in place.

CS3/02 RECOMMEND

That the proposed Community Service Charter and Staff Charter, as amended, be adopted.

Moved Cr Hopper
Motion Carried (6-0)

***NEW FUNDING SYSTEM FOR THE FIRE SERVICES AND THE STATES
EMERGENCY SERVICES***

WARD Armadale, Forrest,
Kelmscott, Seville,
West Armadale,
Westfield

FILE REF: GOV/51

DATE 7 January 2002

REF JD

RESPONSIBLE EDCCS
MANAGER

In Brief:

- Responses have been requested to a Discussion Document issued by FESA on a proposed New FESA Funding Arrangement, and a WALGA Position paper on the FESA Discussion Document.
- An interim response was issued due to timeframe available.
- A discussion of the issues to be included in a formal response.

Officer Interest Declaration

Nil

Strategic Implications

Social Infrastructure: To have in place the range of services to enhance the well being and safety of the community.

Corporate Services: To achieve maximum community benefit from effective use of resources (staff, finances, and information technology).

Legislation Implications

The FESA Discussion Document has yet to be formally considered by the State Government.

Council Policy/Local Law Implications

Nil

Consultation

WALGA
Other Local Governments

Budget/Financial Implications

The new funding system is proposed to come into effect for the 2002/03 financial year (1 July 2002). The potential future budget impact from the proposed funding arrangements is estimated to be positive. There is insufficient information available at this time to make a definitive assessment of cost/benefit.

BACKGROUND

In November 2001, FESA issued a Discussion Document on Proposed New FESA Funding Arrangements. They requested Local Governments to respond to the Discussion Document by 12th January 2002. This 87 page document is available for analysis.

In mid December 2001, WALGA issued a Position Paper on the FESA Discussion Paper. They requested Local Governments to respond to their Position Paper by 7th January 2002 to enable them to compile an industry view. This paper is included as an attachment. (**Refer to Attachment "A-1" – Summary of Attachments.**)

The short time given to respond has not provided Council with the opportunity to consider either paper in detail. As this matter may have wide-ranging implications to the community, WALGA was provided with an interim response that provided a brief acknowledgement of their broad position and advised that the Council would respond after giving the matter due consideration.

Broad Overview of FESA Funding Arrangement Proposal

Council will recall (and gave tacit approval to) the proposed Fire Services Levy proposed by a previous State Government to be effective July 1999.

Council Resolution F19/98 refers:

"The Minister for Emergency Services and WAMA be informed of Council's support of the "Heads of Agreement" document in respect of fire services funding, that we welcome the progress made and that we look forward to early implementation of mutually satisfactory arrangements in this regard".

This proposal was withdrawn in May 1999. It has now re-emerged as the Emergency Services Levy.

The new funding arrangement seeks to have all property owners contribute to the costs of the providing Fire and Emergency Services, based on the Community Rating Principle. Existing Insurance based levies will be removed and Local Government contributions to these services will no longer be required.

It is proposed that the Emergency Service Levy (ESL) will be raised by local government on behalf of FESA as a separate line item on existing Rates Notices, but be clearly labelled "Emergency Services Levy". Local governments will be paid a fee for this agency service. There will be no liability on local governments for any unpaid ESL as it remains a debt due to FESA.

It is also proposed that operational and capital expenditure by Bush Fire Brigades (BFB) and the SES would now be funded by FESA.

The overall effect for residents will be that all properties will now contribute to Fire and Emergency Services but that those with current insurance should see a reduction in their premiums.

Analysis

Officers reviewed the FESA Discussion paper considering the impact on ratepayers, the Council as a levy payer, the Council as a collector of the levy, and the City of Armadale as a beneficiary of the levy. Whilst there is a preference of the raising of the levy to be the collector of the levy, the overall principle behind the funding proposal is considered acceptable with advantages accruing to the Council and to the Community. However, a number of operational and administrative issues have been identified that would require clarification or guarantee prior to implementation. The proposed implementation of 1 July 2002 would seem impractical in the circumstances.

The WALGA position paper identified a number of issues. It recommends that the funding proposal be rejected until the issues are adequately resolved. WALGA sought individual Local Government support for this position.

The issues raised by WALGA (shown in italics) have been considered as follows:

- *Increased administration fee for a number of larger Local Governments (eg City of Perth) who will be raising a significant proportion of the revenue but not receiving realistic compensation. Further negotiations must be held to achieve a balance between the amount of administration fee currently proposed and a fee of 3% of the total revenue which it (is) understood will be paid to the Department of Transport in respect to motor vehicle Road Rescue Levy.*

Comment:

The calculation of the administration fee is unclear and appears unrelated to the number of properties or the anticipated ESL to be raised. The number and amount of payments impact directly on the costs of collection particularly by credit card or Australia Post. Without an understanding of the way the fee is calculated it is difficult to comment on the equity of application.

The flat commission to Department of Transport for Road Rescue Levy appears appropriate as the levy itself is a flat fee.

- *Whilst it is acknowledged that FESA has agreed to fund the changes to computer software systems there must be a guarantee that any refinement of those systems that are required in the future are fully funded.*

Comment:

It is noted that FESA have agreed to fund necessary software changes. A guarantee of FESA funding for future changes attributable to the ESL is required. The procedures governing the determination of the necessity of software changes, the appropriate costing of the changes need clarification.

- *The cost of providing the valuations from Valuer Generals Office must be met in full by FES for those properties that are classified as non-rateable and the State Government agree to maintain the current subsidy of 50% for providing general valuations to Local Government.*

Comment:

Our city has a dual rating system in operation. The cost of providing valuations on non rateable properties from the Valuer General's Office (VGO) must be met in full by FESA, together with the costs of providing Gross Rental Valuations (GRV) for those properties for which unimproved valuations are used for rating purposes. The sole purpose of these valuations is for the ESL.

It is also important that there is a guarantee to maintain the current levels of State proportional funding for the valuation rolls of 50%. This proportion should transfer with any privatisation of state services using the rolls. Eg If the Water Corporation were to be privatised, they should bear an appropriate proportion of the cost.

It would be preferable for the VGO to charge FESA directly for these valuations, rather than include the reimbursement of the costs via the 'recurrent administrative fee'. This would also enhance the clarity of the calculation of the administrative fee.

It would be preferable to have the valuation rolls received by 31st March each year. One problem already being experienced is the short time frame available from the receiving of the valuation rolls and the setting of annual budgets. The Minister will be announcing the ESL rate by 10 May each year. That places enormous pressure on the financial modelling and corresponding public note periods required. Whilst the amount of the ESL itself won't impact the budgets except in relation to Council properties, the inclusion of the ESL on the rate notice will require significant public relations activity.

- *Discussions taking place with individual Local Governments to ensure that future BFB and SES operational budgets are adequate particularly for those Local governments who are unable to determine existing budget commitments or who have not funded to any extent existing operations. (i.e. those Councils that have made no contribution to the operations of BFB and SES from their budget must be adequately catered for).*

Comment:

The adequacy of operational budgets is crucial. The breadth of activities that are undertaken by these groups can vary significantly between units within the municipality let alone between local government areas. Local government should have an input into programs and funding, rather than leave the determination to FESA.

The separation of funding where Council's are actively involved in service provision may be difficult and require adjustment. The existing statutory obligations to fund and manage a range of land management and community safety and planning responsibilities under the Bush Fires Act and the Local Government Act will remain with local government. There may be difficulty in extracting these costs. To base funding indexation on the first year of the scheme's operation may not be appropriate for all Councils.

Existing SES and Bushfire brigade equipment should be independently valued prior to the new funding arrangements being effected.

Existing maintenance and equipment plans need to form part of budget deliberations.

The process to establish additional BFB and SES units in the future, and how this would impact the operational budget obligations of local government is unclear.

However, this Council's experience of cooperation and coordination with FESA has been excellent.

- *With respect to BFB and SES a minimum standard of service (including training) and equipment be established and adequate funding be provided to ensure this standard is reached within a realistic period of time. Further those Local Governments that operate currently at a higher standard not be penalised by having that standard guaranteed.*

Comment:

Adequate funding must be provided to allow the current standards of equipment and training to be maintained and to improve. Minimum standards of service and equipment must be aligned to the needs and expectations of the community being serviced. Appropriate consultation will need to be undertaken with local governments and existing units to determine the minimum standards.

- *To enable a number of administrative issues eg contiguous land, mining tenements, to be resolved the FESA working party be given authority to address and resolve all such issues.*

Comment:

The FESA working party should be able to address and resolve administrative issues such as contiguous land, mining tenements etc and actively involve local governments in addressing issues that are either controversial or have unique application.

- *The level of State Government funding be indexed in line with the increase in annual Emergency Service Levy and further there be no shift between the current proportions of funding ie the State government maintains it (sic) funding for emergency services at \$32m and it not be eroded by various subsidies and stamp duty.*

Comment:

The current proportional funding contributions by the State Government should be maintained and indexed in accordance with the annual ESL.

Other issues not identified within WALGA's position paper but worthy of consideration are:

- **Payment Priorities**
As the ESL is included in the instalment plans offered by Council, payments can be acquitted proportionally between the General Rates and charges, and the ESL; or by priority. The proposal seeks to place the priority for ESL collection above rates, in a manner similar to service charges. It would be preferable to collect monies due to Council first with ESL to receive final allocation.
- **Rebates.**
The potential rebate or discounts to seniors is not available on other service charges. State Treasury believe that the rebate would be claimed from FESA, not State Treasury. This adds an additional administrative burden to Council and to seniors. As the State Government is meeting the cost of the rebate it would be more appropriate for them to administer the claiming of the rebate. This can be achieved in line with current pension rebate claims.
- **Ownership and/or valuation changes mid year.**
The practicalities of interim rating processing are still being explored. At a recent Local Government Rates Officer's meeting, there was a vote for no interim rate with the levy based on the GRV at 1st July each year. This position is recommended.
- **BFB and SES Equipment.**
The new levy will meet 100% of the costs of approved essential items of equipment and capital items. The two levies (Emergency Services and Road Rescue) and the ongoing State Government contribution, will meet 100% of the agreed recurrent operating costs. The establishment and flexibility of 'approved' and 'agreed' items requires clarification. The input and influence of local government is important in the 'approval and agreement' processes.

Plans exist for capital costs including upgrading equipment or fire appliances. There is a need for a guarantee that these capital costs will be met from 1 July 2002. This is in addition to the Operating Budgets.

- **Operating Budgets for 2002/03**
Most local governments are already reviewing budget plans for next year as well as considering their Principal Activity Plans. Where local governments are currently funding BFB and SES, when will we have assurance or confirmation of the funding arrangements?
- **Public Relations**
Local governments will be faced with a significant public relations exercise. If the ESL is included on a local government's rate notice, it will create the perception that

rates have increased. There is an inclination for ratepayers to look at the total of their rate notice without considering its component parts. Further, ratepayers currently receiving a rate exemption will receive a 'rate notice'.

BFB and SES units have concern that their services will be rationalised or amalgamated. Continuing uncertainty will be detrimental to the morale of these units and cause concern within the community. Local groups will need reassurance that their Local Government has a strong hand in such decisions.

Conclusion

Council had supported the principle of a Fire Services Levy and the extension of the concept to emergency services is not a significant change in principle. However, the short time period available to address operational and administrative issues may not enable sufficient analysis or smooth implementation for 2002. It is restated that the FESA document is a Discussion Paper and that the proposal has not yet been considered by the State Government.

WALGA have been given an interim response from Council. (**Refer to Attachment "A-2" – Summary of Attachment.**) It is now recommended that Council forward a formal response endorsing the principle of an Emergency Services Levy, whilst acknowledging the position put forward by WALGA and drawing attention to the matters outlined in this report.

Acting Executive Director Community & Corporate Services briefed Committee on the funding proposal put forward by FESA and clarified that currently this was still a Discussion Paper with a number of issues yet to be resolved. WALGA had submitted that the effective date of 1 July 2002 was impractical.

It was noted that the levy should result in lower insurance premiums for those already insured and savings to the Local Government. However, it was identified at the meeting that local government would also be responsible for paying this levy for property and buildings under its ownership. Committee was of the view that in this regard an evaluation be conducted to assess the impact on Council's Budget.

CS4/02 RECOMMEND

Amended
Council
21-1-02

- 1. WALGA be advised that, whilst there are issues to be resolved to the satisfaction of Local Government, the principle of an Emergency Services Levy ~~as proposed by FESA~~, is supported.**
- 2. WALGA be advised the City supports further dialogue and resolution of the issues relating to:**
 - a. Adequate compensation to Councils as the collection agencies;**
 - b. All costs, implementation and maintenance of the system to be met;**
 - c. Assurance on future equipment and operational funding of Local Bush Fire Brigades and State Emergency Services teams.**

d. Other matters relating to collection, rebates, interim rating and public relations.

4. That copies of Council's response be provided to member Councils of the South East Metropolitan Zone.

Moved Cr Hopper
Motion Carried (6-0)

***WALGA FINANCE & SERVICES COMMITTEE – ELECTED MEMBER/OFFICER
NOMINATIONATIONS***

WARD : All
FILE REF : GOV/51
DATE : 7 Jan 2002
REF : AWD
RESPONSIBLE : Exec. Manager
MANAGER : Business Services

In Brief:-

- WALGA is seeking nominations to fill vacancies on the Association's Finance & Services Committee.
- Nominations close 25 January 2002, hence referral of this item through City Strategy Committee..

DETAILS OF PROPOSAL

The following WALGA nomination advice is presented for Committee's consideration:

The Association is looking for commercially minded elected members and senior officers from member Local Governments to nominate for positions on our Association Finance and Services Committee. This offers a great opportunity to work as a small team with members of our State Council and senior management group in shaping the future directions of your Association's successful suite of services and its financial management strategies.

The Committee has been established by the Association as a business Board – to make commercially based decisions (outside of the "political" processes associated with policy items submitted to the Executives via Zones and Policy Forums) on the establishment and development of the Association's member services units. It also plays a key role in adopting our financial policies and strategies and associated governance issues.

It was established out of a continuing need to have an effective and streamlined decision making structure dedicated to tackling the detailed examination, establishment and ongoing evaluation and marketing of Association commercial services operations. In so doing, the Committee gives due weight to benefits to members and the corporate priorities of the Association as encapsulated in the corporate objectives for the Association's Services Programme.

The Committee's voting membership comprises:

- WA Local Government Association President **CHAIRMAN**
- WA Local Government Association Deputy President
- 2 representatives (elected members or officers) from the metropolitan constituency, at least one of which is to be a member of the State Council
- 2 representatives (elected members or officers) from the country constituency, at least one of which is to be a member of the State Council
- WA Local Government Association Chief Executive Officer

The terms of office of the metropolitan and country member representatives coincide with the two year term of the President and Deputy President.

The functions and powers of the WA Local Government Association Finance and Services Committee are as follows:

- *Adopt business plans for the Association's Services Programme which are consistent with the Association's Strategic Plan, with ongoing review.*
- *Establish key performance indicators and set achievable targets for the Association's services units.*
- *Monitor performance against business plan key performance indicators and targets.*
- *Receive and provide feedback on reports from Services Managers disclosing activities in the context of the Services business plan objectives and strategies.*
- *Adopt and review policies relating to financial and asset management.*
- *Ensure the effective management of the Association's finances based on accountable reporting on Income and Expenditure, Debtors and Creditors activity, investment activity and other reporting it deems appropriate.*
- *Oversee Budget preparations, review the Draft Budget and subscriptions levy and recommend adoption to State Council.*
- *Review and implement budget re-allocations (for amounts of up to \$7,000 per item) and make recommendations to State Council on more significant budget changes and budgeted expenditures.*
- *Commit, reallocate and apply Reserve Funds for special purposes with unanimous agreement.*
- *Make recommendations to State Council on the appointment of Scheme bankers, auditors, investment advisers and other service providers as required.*
- *Consider and resolve action on all other matters of a services nature as required.*

To this end, the following specific powers have been delegated to this Committee from the State Council, on the basis that regular reports be submitted to the State Council on the activities and major decisions of the Committee:

- *Adoption of Business Plans for the Association's Services Programme pursuant to the Association's Strategic Plan.*
- *Authorisation to proceed with the establishment of new services/broadening of existing services to membership where a satisfactory business case has been demonstrated and where the proposals are consistent with the WA LGA Services Programme Outcomes as contained within the Business Plan.*
- *Adoption of policies for the Association's financial and asset management which are consistent with the Association's Objects and Strategic Plan, with ongoing review.*
- *Receipt and adoption of financial reports (noting that audited year-end reports are also required to be presented to membership at Annual Conference).*
- *Commit, reallocate and apply Reserve Funds for special purposes with unanimous agreement.*
- *Implement budget re-allocations (for amounts of up to \$7,000 per item).*

Selection Criteria

We are looking for elected members and senior officers of both metropolitan and country member Local Governments who can demonstrate:

- *A strategic, business-like approach to the provision of client services.*
- *A good understanding of the services needs of the Local Government sector in WA.*
- *An ability to understand financial and asset management and business management concepts.*
- *A commitment to the development and continuous improvement of services through the Association which enhance the effective and efficient running of Local Governments and provide reasonable return on investment for the Association.*

Term

The initial appointments will be to August 2002, with two year terms thereafter.

Meeting Arrangements

Bi-monthly meetings of approximately two hours duration, held at Local Government House during working hours.

Meeting Fees and Travel/Accommodation Payments

Not applicable

The closing date for nominations is 25 January 2002 at 4.00pm.

CS5/02 RECOMMEND

~~That Cr _____ be nominated as member of the WALGA Finance & Services Committee.~~

~~OR, if there is no nomination at the Council Meeting of 15 January 2002, then the resolution be as follows:~~

That no nomination be made.

Moved Cr Hodges
Motion Carried (6-0)

MOVED Cr Reynolds that the meeting be closed to members of the public as the matters to be discussed relate to employees of Council. Members of staff in attendance to remain.
Motion Carried (6-0)

8pm Meeting closed to the public

CONFIDENTIAL LATE ITEM
PERFORMANCE OBJECTIVES – EXECUTIVE DIRECTORS

WARD All
FILE REF: PSF/365
DATE 15 Jan 2002
REF RST
RESPONSIBLE CEO
MANAGER

In Brief:

- Following Council's adoption of the CEO's 2002 Performance Objectives, the CEO is establishing performance objectives for the Executive Directors.
- Format is similar to those adopted for the CEO with an added Objective 7, specific to each Executive Director.
- The matter of contracts for the EDTS and ED DS currently subject of consideration. Draft Performance Objectives for these positions are submitted for information and concurrence.
- EDCCS currently on leave and this matter will be submitted to Council for consideration at a later date.

Strategic Implications

Performance Objectives relate to all aspects of the Strategic Plan

Legislation Implications

Sections 5.38 and 5.39 of the Local Government Act 1995

Council Policy/Local Law Implications

Nil

Budget/Financial Implications

Nil

Consultation

Executive Directors

BACKGROUND

The CEO is establishing Performance Objectives for the Executive Directors following Council's adoption of CEO's Performance Objectives and review of the Strategic Plan.

The format for these Objectives is similar to that adopted for the CEO with an added Objective 7 which will be different for individual Directors.

The matter of contracts for the Executive Director Technical Services and Executive Director Development Services are currently subject of consideration by Council. (See elsewhere on this Agenda). Each contract is subject of establishment of Performance Objectives. The EDCCS is currently on leave and the matter of renewal of that contract will soon be brought forward for Council consideration.

COMMENT

The “standard” Performance Objectives, i.e those emanating from the CEO’s are submitted for information and concurrence.

Specific objectives for individual Executive Directors will be finalised in conjunction with contract discussions.

Refer Attachment B-1 to these Minutes for Performance Objectives for the Executive Director Development Services (EDDS) and Executive Director Technical Services (EDTS).

Following discussion on the Performance Objectives, Committee agreed that they be received noting that the CEO will be preparing similar for the Executive Director Community & Corporate Services. This will enable other matters relating to contracts to be advanced and other members of Council to view the objectives.

CS6/02 RECOMMEND

That the Performance Objectives be received.

Moved Cr Clowes-Hollins
Motion Carried (6-0)

Mrs Jane Dudley retired from the meeting at 8.07pm

Mr Bruce declared an interest in this item on the basis that the matter relates to his employment contract. Committee requested that Mr Bruce remain at the meeting.

CONTRACT OF EMPLOYMENT – EXECUTIVE DIRECTOR TECHNICAL SERVICES

WARD All
FILE REF: PSF/
DATE 10 January 2002
REF RST
RESPONSIBLE Chief Executive
MANAGER Officer

In Brief:

- Mr Andrew Bruce appointed to position of EDTS effective Jan 2000 on the terms that contract will be for a two year period on the understanding that parties may agree to extend to a five year contract.
- Given Mr Bruce's performance in the last 2 years, the CEO is recommending extension of Mr Bruce's current contract to a full term of five years, expiring 17 Jan 2005.
- As this is a designated Senior Employee position, Council's concurrence is being sought.

Officer Interest Declaration

Nil

Strategic Implications

Corporate Services - To foster an effective professional environment for the Government and Administration of the City's services.

Physical Infrastructure:-

To achieve a whole of government approach in the provision of infrastructure to our community – i.e. transport, water management systems, regional facilities.

To maintain and improve the physical infrastructure for the economic and physical well being of the local community

Legislation Implications

Section 5.37 (2) of the Local Government Act states:

- (2) *The CEO is to inform the council of each proposal to employ or dismiss a senior employee and the council may accept or reject the CEO's recommendation but if the council rejects a recommendation, it is to inform the CEO of the reasons for its doing so.*

Council Policy/Local Law Implications

Tendering and Purchasing Policy

Budget/Financial Implications

Nil

Consultation

Chief Executive Officer & Executive Director Technical Services

BACKGROUND

In accordance with Section 5.37(2), the CEO is to inform the Council of each proposal to employ or dismiss a senior employee.

Mr Andrew Bruce was appointed to the position of Executive Director Technical Services effective 18 January 2000. Mr Bruce's appointment followed a lengthy selection and recruitment process. This was his first appointment in Local Government after over 20 years experience in Engineering Business Development, Financial Management and Corporate Planning in both State authorities and private enterprise. Mr Bruce had also lectured in Business at Edith Cowan University.

As this was Mr Bruce's introduction into Local Government, both parties agreed that:-

"The contract will be for a two year period on the understanding that the parties may agree to extend to a five year contract at any time in that period."

The CEO entered into agreement with Mr Bruce that this matter be considered not later than 2 months prior to expiry of the current contract (17 January 2002). This term coincided with the CEO's Performance Review which included establishment of new Performance Objectives which must be reflected in Performance Objectives of the Executive Directors.

Given Mr Bruce's performance in his 2 years of service to date, the CEO has no hesitation in recommending extension of Mr Bruce's current contract to a full term of five years, expiring 17 January 2005.

As this is a designated Senior Employee position under Section 5.37 of the Local Government Act, Council's concurrence with this proposition is now sought.

COMMENT

The initial two year term of appointment to this position was on the CEO's recommendation that both parties needed to confirm their satisfaction prior to entering a longer term.

It had always been Council's objective to fill this position for the longer term.

The CEO reports that Mr Bruce has satisfactorily fulfilled Performance Objectives for the position since appointment. New Performance Objectives have been drafted for the ensuing 12 months (to be reported separately) and it will be recommended that Mr Bruce's contract now extend to five years, expiring on 17 January 2005.

The Chief Executive Officer clarified that this item only related to the term of contract. It does not extend to review of salary and conditions.

CS7/02 RECOMMEND

That in accordance with initial terms of appointment, the term of contract for the Executive Director Technical Services, Mr Andrew Bruce, be extended to a full five year term, expiring on 17 January 2005, with all terms and conditions as outlined in the original contract continuing to apply.

Moved Cr Hopper
Motion Carried (6-0)

Mr Andrew Bruce retired from the meeting at 8.17pm

Mr Adderley declared an interest in this item on the basis that the matter relates to his employment contract. Committee requested that Mr Adderley remain at the meeting.

CONFIDENTIAL LATE ITEM
EXECUTIVE DIRECTOR DEVELOPMENT SERVICES POSITION

WARD All
FILE REF: PSF/20
DATE 14 Jan 2002
REF RST
RESPONSIBLE CEO
MANAGER

In Brief:

- Council in July 2001 acknowledged Mr Adderley's intention to retire and agreed to offer a new term of contract for the period commencing October 2001 to December 2002.
- Performance objectives for 2002 for Mr Adderley have been set.
- A confidential report from the CEO is at attachment B-2.
- It is recommended that the progress report be noted.

Strategic Implications

Relates to all aspects of the Strategic Plan

Legislation Implications

Section 5.39 of the Local Government Act 1995

Council Policy/Local Law Implications

Nil

Budget/Financial Implications

Proposal can be accommodated in current Budget, but will result in increased salary allocation in 2002/03.

Consultation

Executive Director Development Services

BACKGROUND

In July 2001, the CEO advised Council of the pending expiry of the Executive Director Development Services contract, and his recommendation that a new contract be offered to Mr Adderley, expiring on December 31, 2002.

The CEO reported on Mr Adderley's exemplary performance and that it would be in the City's interest to retain Mr Adderley's services pending appointment of a successor. Mr Adderley has indicated his intention to retire at the conclusion of 2002.

Council resolved (CS55/01 refers of 10 July 2001):-

1. *That Council acknowledge the Executive Director Development Services, Mr John Adderley's intention to retire and that he be offered a new term of contract, for the*

period commencing 21 October 2001 and expiring on 31 December 2002, subject to negotiation of agreed performance objectives and a reviewed salary level.

2. *That the matter of recruitment and appointment of a successor to the Executive Director Development Services' position, prior to the retirement of Mr Adderley, be subject of a further report and consideration of funding in formulating the Draft 2002/03 Budget.*

A confidential report by the Chief Executive Officer including Committee's discussion on this matter is at Attachment B-2.

Cr Clowes-Hollins retired from the meeting at 8.25pm

Cr Munn left the meeting between 8.30pm and 8.32pm

CS8/02 RECOMMEND

That the CEO's Confidential Progress Report on contractual discussions with the Executive Director Development Services be noted.

Moved Hopper
Motion Carried (6-0)

MEETING DECLARED CLOSED AT 9 PM

CITY STRATEGY COMMITTEE

SUMMARY OF "A" ATTACHMENTS

15 JANUARY 2002

Attachment No.	Subject	Page
A-1	WALGA's Position Paper of the FESA Discussion Paper	25 – 50
A-2	Council's response to WALGA on FESA Discussion Paper	51 -56

CITY STRATEGY COMMITTEE

SUMMARY OF CONFIDENTIAL "B" ATTACHMENTS

15 JANUARY 2002

Attachment No.	Subject
B-1	Performance Objectives for Executive Director Development Services and Executive Director Technical Services
B-2`	Chief Executive Officer's Report on the Executive Director Development Services Position